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ANTI-MUSLIM RIOTS IN ARAKAN

East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English Aug 84 pp 38-39

[Text] SERIOUS anti-Muslim riots broke out in South Arakan in May, claiming the lives of 81 Muslims. The rioters, who allegedly belonged to the Magh Buddhist community, destroyed six mosques and burnt two religious schools. The riots took place in Tongap, Gwa and Chietali, all towns in Sandoway district where Muslim settlements were razed to the ground and hundreds of inhabitants forced to flee to neighbouring Bangladesh.

The Arkanese Muslim organisations have described these riots as a government strategy to pressurise the Rohingya Muslims to disassociate themselves from the Rohingya Muslim organisations. Since April, several Rohingya Muslim organisations have intensified their guerrilla activities inside Arakan. The Rohingya Patriotic Front and the Arakan Liberation Front have reportedly gained strong positions in the border areas of Arakan. These organisations have the support of the local Muslim population, who supply them with the manpower and material resources to pursue their struggle.

Muslims in Arakan believe that over the past few years the Burmese government has been pursuing a policy of uprooting Muslims and encouraging the Magh Buddhist community to settle down in Muslim areas. Muslims fear that if the present situation is allowed to continue unchecked, there will be few Muslims left in Arakan within a few decades.

The Rohingya Muslim organisations have called upon the Organisation of the Islamic Conference (OIC) and the Muslim World League (MWL) to take up the matter with the Burmese government. They have also asked the OIC to send a delegation to Arakan to verify and assess the present situation. They expect Muslim countries, particularly neighbouring Bangladesh, to launch an effective economic boycott of Burma.

CSO: 4200/990

ICK CHAIRMAN PAHR COMMENTS ON KAMPUCHEA ISSUE

BK050937 Jakarta International Service in English 0800 GMT 5 Sep 84

[Text] Chairman of the International Conference on Kampuchea Dr Willibald Pahr said in Jakarta yesterday that solution to the Kampuchean issue was still far from expectation, and efforts had still to be made to (?involve) Vietnam to the negotiation table. In his airport statement upon arrival from Kuala Lumpur yesterday, Dr Pahr said that his current tour of several member countries of the Association of Southeast Asian Nations, or ASEAN, was aimed at making consultation with the concerned countries on the Kampuchean issue. Dr Pahr said he considered ASEAN as important because the regional grouping had initiated efforts for the solution to the Kampuchean issue.

According to the former Austrian foreign minister, who is now Austrian ambassador to West Germany, there were three issues he would be discussing during his meeting with Foreign Minister Kokhtar Kusumaatmaja and other ASEAN foreign ministers. The first, he said, was the latest development on the Kampuchean problem in connection with preparations for the UN General Assembly session in which the Kampuchean issue would be discussed. The second was to collect information on matters relating to the current situation in Kampuchea which would be discussed in a meeting of the Standing Committee of the International Conference on Kampuchea. The third was a discussion on the fate of the Angkor Wat Temple in Kampuchea which had been destroyed during the war in Kampuchea. Dr Pahr went on to say that the way for a solution to the Kampuchean issue was still far away.

Dr Willibald Pahr previously visited Kuala Lumpur during which he had met with Malaysian Foreign Minister Ahmad Rithauddeen who is also chairman of the ASEAN Standing Committee.

He is scheduled to have official talks with Foreign Minister Mokhtar Kusumaatmaja today after paying a courtesy call on President Suharto. This afternoon, he is scheduled to have a meeting with the Executive Board of the Center for Strategic and International Studies. Tomorrow, he will meet with the secretary general of ASEAN at the ASEAN Secretariat in Jakarta. He will be leaving for Thailand later in the day.

CSO: 4200/1015

BRUNEI'S SULTAN TO VISIT INDONESIA IN OCTOBER

BK070231 Kuala Belait THE BORNEO BULLETIN in English 25 Aug 84 p 2

[Text] Bandar Seri Begawan. His Majesty the Sultan and Yang Dipertuan is expected to make his first state visit to Indonesia in October.

The trip, at the invitation of Indonesia's President Suharto, is seen as a further move to strengthen ties between Brunei and her giant neighbour.

Brunei and Indonesian businessmen recently signed an agreement here to work together more closely.

The sultan made a five-day social visit to Jakarta in April 1981 to pave the way for closer ties with Indonesia and since then government officials and businessmen have followed in his footsteps.

On Friday last week, the Brunei Foreign Minister, the Perdana Wazir, Prince Mohamed was the guest of honour at a celebration dinner marking Indonesia's 39th year of independence.

Many senior government officials and Brunei and foreign diplomats also attended the event at the Jerudong Park Clubhouse.

The Indonesian Ambassador to Brunei, Mr Zuwir Jamal, told the BULLETIN: "In the future there will be more frequent exchange visits between Brunei and Indonesian people both in the government and private sectors."

He was speaking after a flag-raising ceremony at his residence in Jalan Muara.

Tourism is one of the areas Brunei and Indonesia are hoping to develop.

A group of Indonesian travel agents will arrive here at the end of the month to look at tourism prospects and to establish ties with Brunei travel agents.

The ambassador said there was a "great desire" by both countries to establish closer ties.

"We share a common effort to establish peace in this region and to contribute to the peaceful atmosphere of the international field," he added. Mr Zuwir came to Brunei last December having served in New York, Latin America and Rangoon, as well as Jakarta.

MOKHTAR CITED ON POSTPONEMENT OF THATCHER VISIT

BK311332 Jakarta Domestic Service in Indonesian 1200 GMT 31 Aug 84

[Text] Foreign Minister Mokhtar Kusumaatmaja has been notified of the postponement of British Prime Minister Margaret Thatcher's visit to Indonesia. Foreign Minister Mokhtar said he understood the reason for the postponement of Thatcher's visit. He hoped that the British situation would return to normal so that Prime Minister Thatcher's visit could be realized.

According to Mokhtar, Thatcher's visit is important to Indonesia, especially to bilateral trade and economic relations. Quoting Thatcher's speech at a London summit meeting not long ago, Minister Mokhtar said he was inclined to believe that Britain wishes to step up economic relations with Indonesia. At that time, Thatcher praised Indonesia as one of the developing countries that had succeeded in overcoming difficulties caused by the recession.

A press release of the British Embassy in Jakarta said today that due to an unfavorable industrial atmosphere in Britain in the past several days, Prime Minister Margaret Thatcher believed that it would be improper for her to be far away from her country at this time. Thatcher originally planned to conduct a 2-week visit to Malaysia, Indonesia, Singapore, and Sri Lanka from 15 September 1984.

CSO: 4213/267

CHANGES IN FOREIGNERS' WORK PERMIT SYSTEM

BK010927 Jakarta Domestic Service in Indonesian 0600 GMT 1 Sep 84

[Text] Procedures on the issuance of work permits for foreign workers will be simplified following the issuance of the Regulation of the Manpower Minister No 4/84. By the virtue of the Regulation of the Manpower Minister No 4/84 effective 1 September 1984, the Letter of Decision of the Manpower Minister No 64/84 on procedures on the employment of workers and permits on the employment of nonresident foreign workers is declared null and void.

Explaining the new regulation to companies employing foreign workers, Indonesian and foreign businessmen's associations, and labor attaches in Jakarta today, Manpower Minister Sudomo said that the new ministerial regulation would further smooth services related to the employment of foreign workers. According to Minister Sudomo, foreign workers are still needed to complement national development supported by foreign investments and simultaneously to implement the program on the transfer of technology which constitutes an on-going and continuous process.

[Begin Sudomo recording] The Indonesianization process is carried out step by step under the national manpower planning and through preparatory education programs and intensive work training and development plans so that a normal balance will be achieved in employing nonresident foreign workers. Streamlining measures against nonresident foreign workers through "Operation Mawar" conducted by the Manpower Department were aimed at violations of government regulations such as the absence of work permits; expired work permits; and misuse of tourist and business visit visas for work purposes. We deem it necessary to stress that we are not antiforeigner. However, any violation of government manpower regulations will certainly be dealt with. [end recording]

Minister Sudomo guaranteed that there would be no bureaucratic handling and levies in issuing permits for foreign workers. As states some time ago, applications for permits under the foreign and domestic investment category should be forwarded to the chairman of the Investment Coordinating Board who can issue the permits on behalf of the manpower minister, while those outside the category should be presented directly to the manpower minister in coordination with technical departments. According to Minister Sudomo, these procedures will enable the government to know which positions are already closed, temporarily open, and open for a certain period for foreign workers in Indonesia.

CATHOLIC CHURCHMAN INTERVIEWED ON TIMOR SITUATION

BK060745 Jakarta THE JAKARTA POST in English 24 Aug 84 p 4

["Excerpts" of 20 August Interview by Monsignor Carlos Filipe Ximenes Belo, "apostolic administrator" in Dili, to "a group of Jakarta journalists, including Sabam Siagian of THE JAKARTA POST," in Walili, East Timor; questioners not identified]

[Text] Question: What are your main impressions after three years residing in your home area?

Answer: I work for the church, I'm doing pastoral work. There are 36 pastors now working in the Roman Catholic Church of East Timor, 19 of them come from outside the area. As I see it, the situation is gradually improving. There are no major problems in this area but there are some shortcomings in some fields. The government is working hard to speed up development and provide basic facilities for the people (public health, education, roads and bridges, clean water).

Question: What are some of the shortcomings you refer to?

Answer: Well, development encompasses many aspects of human life, not only the material aspect. First of all, the people here must feel that they are part of development. They must have a sense of participation in various programs which in the final analysis are launched to improve the people's social welfare. What I also consider as important is to create a sense of tranquility among the people. In some areas where security conditions are practically normal, I think restrictions of movements could be lifted. As a matter of fact, development and social economic conditions could well be enhanced in those safe areas when people are able to sell their produce in the local markets, look up their relatives and benefit from the improved social facilities.

Question: What about the unsafe areas, Monseigneur?

Answer: Yes, the recent activities of the Fretilin [Revolutionary Front for Independent East Timor] remnants are of great concern to me. They now resort to some brutal practices like burning villages, rice and maize fields and even killing their fellow Timorese. Perhaps they like to provoke the security

units to retaliate and worsen the situation. These practices are wrong, I cannot condone them. I stated that already. Terror tactics like burning, looting and killing would not help the efforts of reconciliation among East Timorese people.

Question: Have you stated your position either through public statements or by delivering sermons to that effect? Or perhaps, have you conveyed your position condemning those brutal tactics to those Fretilin remnants?

Answer: No, I haven't done so. But everybody knows my position. I'm the servant of the church, how can I agree to those practices?

Question: You were quoted in some foreign publications as being very critical to some aspects of the current situation in East Timor. A letter supposedly written by you which touched upon some critical aspects here was recently published. Could you comment on that?

Answer: You know, sometimes I do not understand the minds of journalists like you here (laughter). I think I've been misquoted or different interpretations are applied to my statements. Some quarters even talked or wrote on my behalf. Or I was quoted out of context of the whole interview as if I was overconcerned on one particular aspect only. Well, I'm more careful now since I realize my inadequate experience with the international press. Let us take one case. Some parts of my personal letter addressed to my predecessor, Mgr Martinhu da Costa Lopes, who is now residing in Lisbon were released publicly. I was very surprised when I heard that happened. That letter was not meant to be released as a public statement. It was a piece of communication from one servant of the church to another fellow servant. Besides, the main elements of the letter were not unknown to the Indonesian authorities. That letter was dated 16 February 1984. On 15 February, I visited the area commander Brigadier General Sutarto at his residence in Denpasar (Bali) accompanied by four pastors. I conveyed to him my observations concerning the situation in East Timor which I also wrote in that personal letter. I often do that, talking to government and military authorities, sharing with them by observations and perhaps making some suggestions.

After all, I consider it as part of my clerical responsibility to work positively with the government for the interest of the East Timorese people.

Question: To sum it up, Monseigneur, how do you see the immediate future?

Answer: I hope and I pray that there will be reconciliation and complete peace in East Timor. It is important to create a situation of tranquility and to improve the social economic conditions. I always convey to the members of the church, let us work together for our common future. We are part of Indonesia now, that's a reality we are now living.

CSO: 4200/1015

SESKOAD TRAINING DESCRIBED

Kunyang, Australia PACIFIC DEFENCE REPORTER in English Aug 84 pp 19-22

[Article by Major Charles D. McFetridge: "Sesko--How Indonesia Trains Its Elites"]

[Text] Major Charles D. McFetridge examines the unique Indonesian system of the training its leaders for the armed forces and for government. The goal, he says, is to produce a future generation of leaders with the same core values as the present leadership elite. The views expressed are the author's and do not reflect those of the US Army.

Indonesia is dominated by the military; the armed forces are dominated by the Army; the Army is dominated by graduates of *Sesko* (*Sekolah Staf dan Komando Angkatan Darat*), the Indonesian Army Staff & Command School.¹ Begun in 1951, *Sesko* has graduated over 3000 students from a variety of regular and special courses. Among its alumni are President Soeharto, Vice-President Umar Wirahadikusumah, Minister of Defence & Security Poniman, Head of the MPR Amir Machmud, Minister of Political & Security Affairs Surono, Co-ordinating Minister for Social Welfare Alamsyah P., Head of the State Audit Board Yusuf, and dozens of other important members of the Government.² From their first day of class *Sesko* students are told that they are "the future leaders of the Army and the nation,"³ a highly accurate statement.

The *Sesko* system embraces the four branches of the Indonesian armed forces (ABRI), with each service, Army, Navy, Air Force, and Police, having its own school. In addition, there is a Joint Staff College (*Sesko-gab*) which is a step up from the service schools (previous graduation from service school, Indonesian or foreign, is a requirement for selection).⁴ These schools are all in the Bandung-Lembang area, except the Navy branch (Jakarta), and are administered by a central command headquarters. The National Defence Institute (Lemhannas), located in Jakarta, is the highest of the defence schools.⁵

Of the various schools, *Sesko* is the most important, those of the Air Force, Navy, and

Police being smaller and more technical in their scope. The other three services do not have the broad national development mission of the Army, so they spend less time on social development and security subjects than does the Army school. Their graduates are more easily absorbed into their respective services and into the comparatively few non-military jobs (*karyawan*) allocated them.⁶ While *Sesko-gab* and Lemhannas are more influential at the top of the national leadership pyramid, their small and exclusive enrolment limits their graduates to the top echelons of the government in Jakarta. *Sesko* has a much larger student body⁷ which is not entirely absorbed by the many headquarters in Jakarta, so that graduates are scattered throughout Indonesia and are influential in every location. In addition to the regular course, beginning in 1982 *Sesko* offered a second, the Army Staff & Administration Course (*Sesminad*).⁸ The role and importance of this course have yet to be assessed, but it is generally deemed less prestigious than the regular one.

For many years *Sesko* also functioned as the doctrinal development body, or 'think tank', for the Army. Most of the basic ideas of national strategy and policy were formulated there in the late 1950s and early 1960s, before the advent of the other schools. This fact continues to lend prestige to *Sesko*, although the school no longer performs this function. *Sesko* also feeds the higher schools with students, the majority of whom are Army officers. By virtue of its dominant

Table 1: Percentage distribution by branch of service, 1980-83

Branch	1980-81	1981-82	1982-83	Average
Infantry	41.60	38.80	47.20	42.53
Artillery	11.80	17.10	15.30	14.73
Cavalry (Tank)	6.20	3.80	6.90	5.63
Intendence (Supply)	6.20	1.90	1.40	3.17
Engineer	9.30	18.40	6.90	11.53
Signal	8.70	6.30	6.20	7.07
Ordnance	5.50	5.70	5.50	5.57
Adjutant General (admin)	3.10	3.20	1.40	2.57
Military Police	2.40	2.50	2.80	2.57
Transportation	1.80	1.90	2.10	1.90
Finance	1.80	3.80	4.20	3.27
Dental Corps	0.60	—	—	0.20
Topographic Engineer	0.60	0.60	0.70	0.63
Judge Advocate General	—	0.60	—	0.20

Source: Various *Seskoed* yearbooks (*Buku Kenang-Kenangan*), all published privately in Bandung from 1969 through 1982.

position in the military community, *Seskoed* can currently claim to be the single most important source of leaders in Indonesia.⁹

The goal of every ambitious Indonesian Army officer is to be selected for *Seskoed*. Candidates are chosen 'by computer' from a list compiled from three sources: military area commanders' recommendations; officer efficiency reports; and competitive examinations. The examinations are held annually and are primarily concerned with technical military subjects. While theoretically open to any officer with two years' service as a major, the nature of the examination ensures a high representation of the combat branches (infantry, artillery, and tanks), while the 'professional' branches (dental, medical, and legal) are virtually unrepresented (see Table 1). No woman has ever graduated from the regular *Seskoed* course. Officers must be less than 40 years old when selected.¹⁰ While not formalized, there is a tacit policy of recognizing service in East Timor through the selection process. This policy started in 1979 on the assumption that officers serving there did not have the opportunity for self-study and preparation that other officers had. Majors and lieutenant-colonels with operational service in East Timor receive a virtual waiver of the examination requirement.¹¹

A preliminary analysis of the student classes for the years 1980-83 shows some rather interesting contrasts (see tables). The average student is a Javanese, infantry lieutenant-colonel of the Islamic faith, who graduated from the military academy 14 to 15 years previously.¹² As such, he represents the dominant ethnic and religious groups of Indonesia. There are, however, some anomalies in this situation. Relative to their percentage of the total Indonesian population (9 per cent and 1 per cent), Sundanese and Batak representation in the *Seskoed* student body is high — about 15 per cent and 5 per cent (see Table 2). There is a similar situation in the area of

religion. While Christians constitute only five to 10 per cent of the entire population, they account for some 21 per cent of the students. Christians in the student body tend to be Javanese Christians. Interesting also are the groups underrepresented. While it is hardly surprising that there are no East Timorese and Irianese students,¹³ Maluku, Nusa Tenggara (Lesser Sundas), and Kalimantan are also poorly represented. There are no fixed quotas for admission to the officer corps or *Seskoed*.

After being selected, the Indonesian student prepares himself and his family for the 11-month course. Families are not officially permitted to join the student at *Seskoed*. All the students live in the mess (*wisma*) and visit their families on weekends and holidays, if they obtain travel passes. There is a bed-check nightly at 10pm. Officers previously assigned in the Bandung area may maintain their families in government housing, but they are still expected to 'live in'. The impact of a situation where all students live in the mess is that there are virtually no distractions or truancy and a total commitment to the *Seskoed* experience. Finally, each officer must get by financially on his basic pay and allowances (major = \$200; lieutenant-colonel = \$250), as he is cut off from other 'informal' income. Saving for *Seskoed* is essential.

The organization of the student body is designed to promote group consciousness and facilitate consensus (*musyawarah-mufakat*). Although homework is almost a daily occurrence, these assignments are rarely turned in or evaluated, especially after the first two months. Homework problems are discussed in class. Individual evaluation is done through quizzes, weekly tests, and semester final examinations.

The basic study unit is the *kelompok* (group) of three or four students. Three *kelompok* comprise a *sindikat* (syndicate) of 10 or 11 students. The majority of class time is in *sindikat* discussion of homework assign-

Table 2: Estimated percentage distribution by ethnic group, 1980-83

Ethnic group				Percentage of total Indonesian population
	1980-81	1981-82	1982-83	
Javanese	55.30	56.70	57.20	43.00
Sundanese	17.40	10.10	16.60	9.00
Batak/Tapanuli	9.90	3.80	5.50	1.00
Minahasa	2.40	1.30	3.40	1.00
Bugis	1.90	1.30	3.40	2.50
Madurese	1.20	—	—	4.00
Balinese	1.20	0.60	1.30	2.00
Minangkabau	1.20	3.80	5.50	1.00
Palembang	1.20	3.20	1.30	1.00
Aceh	0.60	2.50	1.30	1.00
Makassar	0.60	—	—	1.00
Others/Unknown	7.10	16.70	4.50	33.50

Source: *Buku Kenang-Kenangan*.

* Estimated from Nene Vreeland, *et al.*, *Area Handbook for Indonesia 1975* (Washington, DC: Government Printing Office, 1975), pp87-107.

ments. Each kelompok presents and defends its solution to the *sindikat* and the *patun* (faculty supervisor). The 'group' solution is usually the work of an individual member of the kelompok, who presents it, on behalf of his group, to the rest of the *sindikat*. Theoretically, however, this solution has been reached through group consensus. The discussions are often very detailed and open, with rank and experience no protection from awkward questions. Each student is graded on his class participation, both during presentations and in questioning.

Occasionally three *sindikat* will be grouped into a *kelas sedang* (working class) of 30-34 students and two or three *patun*. The *kelas sedang* functions like a very large *sindikat*. Solutions representing the *sindikat* consensus are presented, discussed, and defended there. The *patun* guides the discussion and usually summarizes the results. Lectures are given to the entire student class in a lecture hall or auditorium. Beginning in 1982-83, many of the formal lectures are given to the combined *Seskoed-Sesminad* classes. Question-and-answer periods are infrequently included in formal lectures.

The emphasis on group rather than individual effort is reinforced in the various command post exercises, map problems, field trips, and surveys that are held. *Seskoed* lectures are long by Western standards. A normal lecture period is over six hours, with two or possibly three breaks, and lectures on some subjects, especially those of a philosophical nature, are even longer. It is by no means uncommon for a lecturer (or team) to address a subject from 7.30am until 5.20pm, with a mid-morning and a lunch break of less than an hour. The attention span of all students suffers predictably.

The education process

Having examined the structure and com-

position of the student body, it is logical next to examine the curriculum. As the Indonesian Army has gone to considerable trouble to assemble its 'best and brightest' for *Seskoed*, it should be possible to discern by examining the subject matter of the courses there, what the current leadership believes is important — and what is not. It is useful to recognize that there is no shortage of class periods. Instruction periods are 40 minutes long, and the class schedule runs from 7.30am until 4pm Monday through Thursday; 7.30am until 5.20pm on Friday, with a three-hour midday break for prayers; and 7.30am until 12 noon on Saturday. Almost every Friday night there are classes. Night classes are irregular but frequent. An average week of instruction would fill 46 classroom hours. Special exercises, guest lectures, homework, night seminar discussions, and other projects increase this average. There is, then, over the full 11 months, ample time to explore any relevant subject or concept.

For the purpose of this analysis, I have divided the course curriculum into five groupings: **Administration**, **Social Sciences**, **Military Theory**, **Practical Military Subjects**, and **Nation Building**. This division is arbitrary and is not that used by the school. Inevitably some subjects could be counted in more than one category, and with regard to two subject areas, in particular — 'Operations within Indonesia' and 'Territorial Development' — the relationship was too complex and interwoven for a clear distinction to be made. Class time devoted to these subjects accounts for 12 per cent of the course, and, as a best 'solution', that 12 per cent has been evenly split between the Nation Building category and Practical Military Subjects category.

Administration of the course accounts for 6.3 per cent or about 137 instruction periods, of 40 minutes. Most of this time is used for

tests, major examinations, and administrative briefings.

Social Science periods are an important part of the course, about 17.4 per cent or 376 periods. A wide variety of topics are included in this category, such as Value Theory,¹⁴ Philosophy, Personal Communications, Ethics, and so on. Two large sub-blocks are the week-long 'Social Survey' and the weekly classes on either Japanese or Chinese language and culture. Civilian guest lecturers usually present these subjects, and the calibre of instruction varies, but is generally quite good. As the majority of students have graduated from the military academy, much of the material in this section is relatively new to them. Because many *Seskoed* graduates will go on to positions in industry and the civil government, these subjects will broaden their background and nontechnical education. Many of these subjects 'tie in' to subjects in the **Nation Building** category.

Military Theory is given a slightly larger share of the course, 18.4 per cent or 397 class periods. Topics in this group include military theory, staff procedures, and orientations on the other services (Air Force, Navy and Police). The bulk of the time, however, is allocated to the routine, even tedious, aspects of staff processes and formats, rather than to the very important studies, reports, estimates, and analyses on which one might logically expect effort to be concentrated. **Military Theory** is the core of most higher military colleges. This is not the case at *Seskoed* as less than one-fifth of the total course time is spent on subjects in this category.

If **Military Theory** is the basis of military education, **Practical Military Subjects** are the 'nuts and bolts'. This is only partially true at *Seskoed*, where teaching tactics and conducting simulation exercises is limited to a rather modest 26.8 per cent of the course (706 periods). Even then, the total is as high as it is only because of the very lengthy map exercises which are the least intensive learning time of the course. The map exercises are frequently based on actual historical operations, although frequently fictionalized by using new names for familiar places. Critical analysis of these operations is not the main thrust of these exercises. Instead the focal point is staff procedures. Much of the time is spent on civic action and territorial operations as they bear on the Indonesian concept of 'People's Defence'. As a result, only about three quarters of the instruction periods can be clearly separated from nation building/developmental exercises.

The largest single block of instruction can be loosely termed **Nation Building**. Included here are *Pancasila*, the Constitution of 1945, the Government Five Year Development Plan, Territorial Development, and Operations. Over 32 per cent (798 periods) of time is devoted to these subjects. This does not, of course, include oblique references and discussions that frequently surface in subjects far afield from Nation Building. Such an empha-

sis is hardly surprising. Given the Army's historical background and its many extramilitary responsibilities, a thorough and firm grounding in the national plans, goals, and philosophy is essential. Overlapping lectures and speeches repeat the message in detail. The Indonesian graduate is thus thoroughly exposed and, presumably, committed to the government programs designed to support the national philosophy of *Pancasila*.

A quick analysis of the curriculum reveals that the Army Staff & Command College teaches purely military subjects less than 50 per cent of the time. Some of the reasons for this are self-evident.

Goals and objectives

It is the stated goal of *Seskoed* to prepare mid-level Army officers for positions of higher responsibility by teaching leadership, professionalism, and the dual function of the armed forces. The first two goals are common to any military college in the world. The dual function concept (*dwi fungsi*) is a bit more unusual. The dual function concept is too complex to be analyzed here, but generally may be said to embody the duty of the armed forces to assist in the development of the country in a wide variety of ways in virtually every field of government. The *Seskoed* course is designed to prepare officers for command and staff positions throughout the upper echelons of the Army and Government.

Seskoed, however, has other implied objectives. The first of these may be called national unity. The Indonesian Army has not forgotten that the majority of its virtually uninterrupted combat operations have been against people who were, at least nominally, Indonesian. Loyalty to the nation, as represented by the government in Jakarta, has been a factor in every campaign, with the arguable exception of the Confrontation with Malaysia.¹⁵ Of these disturbances, the most serious and dangerous have been led by disaffected military personnel (including the G30S/PKI attempted coup in 1965).

A second implied objective is the reinforcement of the web of personal relationships. The forced cooperation, at all levels and the formation of friendships based on that cooperation, is very important. The faculty officer responsible for student affairs has said that 'co-operation and learning to function as a group' was the key to success 'in the school and later' (emphasis added). In short, this is where one of the 'old-boy networks' is formed, and formed quite deliberately. This process occurs to some extent at all staff colleges, but is greatly facilitated at *Seskoed*. It also complements the Army's efforts to break up the regional cliques that previously played such an important role in military and national politics. Regular changes of commanders and careful selection have largely broken up these historically strong associations.¹⁶ Since almost all generals are *Seskoed*

alumni, it is perhaps natural that they assume an elitist outlook.

Another objective, unstated but apparent, is the testing and examination of the prospective elites in a competitive environment. At one time all students would replace their actual rank insignia with special, identical *Sesko*ad rank badges. Although this system has been abandoned, it is an indication of *Sesko*ad's commitment to stimulating and open discussion, regardless of a student's rank. Considering the exaggerated deference paid to rank outside the school, the extent to which a student is willing to question his superior's conclusions is remarkable. The discussions, where the students are expected to support and defend their positions, are usually conducted using the term *Pak* and the nickname rather than the more formal *Pak Letnan Kolonel* (or *Mayor*) and the full name. Athletic competitions at the school are also 'rank free', with each student competing equally. Other benefits derive from mixing the officer corps at *Sesko*ad. Many students have previously had a very narrow range of assignments and experiences, and some have served many years in remote areas.¹⁷ *Sesko*ad brings these officers back into the mainstream of the Army, and allows an otherwise rare sharing of experiences.

The *Sesko*ad experience is also interesting for the subjects that are not emphasized or, indeed, even included. Inevitably this involves a comparison with other staff colleges. The Indonesian Army has a wealth of foreign college graduates, well aware of the differences between overseas schools and *Sesko*ad. A proportion of the top leadership echelons of the armed forces have received foreign military schooling.¹⁸ There is no doubt, then, that the differences in curriculum and methods are deliberate and have been well thought out. Certainly they have not been resorted to because of lack of time. Subjects taught are taught exhaustively.

There is a surprising lack of emphasis in some areas that would be considered basic in other staff colleges. Foremost among these is the disinterest in individual analysis and original professional writing. Formal written requirements are few and the scope generally limited.¹⁹ Professional journals publish articles, but these tend to be translations of general articles appearing in Western journals or magazines. Citation of sources and references is often sketchy. The more original, indigenous articles are also, almost exclusively, general treatments of broad subjects such as *Pancasila* or *National Strategy*.

While development and modernization are stressed, historical lessons (both political and military) receive the briefest treatment. Even now there are virtually no professional articles on the activities in East Timor, lessons learned from joint exercises, or case studies of previous successful or unsuccessful operations. This may well increase the likelihood of recurring problems. The intellectual ferment that often characterizes military staff

colleges is largely absent, a situation highlighted by the tiny library which actively subscribes to no foreign military journals and is closed except during student class hours, thus making it largely unavailable to the students.

Another void in the education process is the 'non-event'. Many books, documents, and articles can be obtained on certain aspects of Indonesian military history, including the Revolution, the PRRI-Permesta rebellions, and the September 30 attempted coup. Other events are almost undocumented. These include the Malaysian Confrontation, the ongoing rebellion in Irian Jaya, and the military aspects of the integration of East Timor into Indonesia. To what extent such information is circulated in classified briefings and classes is not known. If there are relevant documents available on these subjects, they are not available to the public.

Perhaps the most significant subject area that is under-emphasized is any close study of the formation and implementation of national policy. On the philosophical and semantic level there is considerable discussion, but on the practical or comparative level there is none. The study of problems concentrates on defining and describing situations. Solutions, if introduced, are polemical and very general.

Conclusions

The Indonesian student at *Sesko*ad is exposed to a wide variety of subjects, both civil and military, but is not always required to assimilate or demonstrate understanding of many of these. This is true of numerous staff colleges throughout the world, but most of these do not have the dual function mission assigned to the Indonesian Army.

Confidence, both self-confidence and mutual confidence, is an important by-product of *Sesko*ad training. Each officer must present and defend his solutions to various types of problems. Fellow students criticize these solutions. These give-and-take sessions occur daily and constitute the only feedback a student receives. Tests, quizzes, and all other written work are never returned or reviewed.

The educational system used produces a unified outlook and commonality of approach among the graduates. In a country of limited communications and facilities, this is undoubtedly beneficial. The ability of the constituent parts of the Republic to function in the event of war or natural disaster and do so without extensive central coordination could be crucial to the nation's survival. The price, however, may be a loss of initiative and creativity. The unified outlook also ensures that the informal alliance system will continue to flourish.

The importance of *Sesko*ad as a source of future leaders is unquestioned.²⁰ Most of the top echelons of the Army and government, as alumni themselves, are familiar with the present system. Analysis of the course content shows it has been designed to complement

and reinforce the current government structure. *Seskoad* is designed to produce loyal, reliable leaders with a clear understanding of, and commitment to, the current system of government. Divisiveness, introspection, and self-criticism of the system are not encouraged. The goal is to produce a future generation of leaders with the same core values as the present leadership elite. Time will tell how effective this process has been. ■

CSO: 4200/1012

BRIEFS

TRANSMIGRATION PROGRAM--The Central Java regional office of the Department of Transmigration has resettled 480 families living in areas surrounding Mount Merapi to various transmigration projects outside Java Island since the end of this month. Some 715 families living in the same areas have been targeted for resettlement. [Text] [BK310738 Jakarta Domestic Service in Indonesian 2300 GMT 29 Aug 84] A total of 100 families of transmigrants from East Java left for resettlement at (IPUH) transmigration project in Bengkulu Province on 29 August. The transmigrants, numbering 386, are victims of natural disasters in Bojonegoro. Another 52 families of transmigrants from Malang District and Municipality also left on the same day for resettlement at (Bangkinang) transmigration project in Riau Province. [Text] [BK310738 Jakarta Domestic Service in Indonesian 0700 GMT 30 Aug 84] A total of 56 families of transmigrants comprising 221 members from Central Java arrived in Jayapura, Irian Jaya Province, on 29 August for resettlement. The transmigrants are from Grobogan District and Semarang Municipality. The transmigrants will be resettled at (Arso II) transmigration project in Jayapura District. [Summary] [BK310738 Jakarta Domestic Service in Indonesian 1500 GMT 30 Aug 84]

INDONESIAN LNG EXPORT--The Indonesian liquified natural gas [LNG] export value during the first half of 1984 increased by 23 percent in comparison to the corresponding period of 1983. According to date of the Bank of Indonesia today, the export value during the first half of 1983 stood at \$1.339 billion while the export value during the same period in 1984 stood at \$1.648 billion, an increase of \$393 million [as heard] or 23 percent. Most of the LNG export was destined for Japan, South Korea, and ASEAN countries. [Text] [BK051440 Jakarta Domestic Service in Indonesian 1500 GMT 31 Aug 84]

AMBASSADOR TO MALAYSIA--The Malaysian Government has agreed to the appointment of Lieutenant General Himawan Sutanto as the new Indonesian ambassador, replacing Rais Abin, who has completed his tenure. [Excerpt] [BK060626 Jakarta Domestic Service in Indonesian 1500 GMT 4 Sep 84]

9,000 BORDER CROSSERS TO RETURN--Foreign Minister Mokhtar Kusumaatmaja has approved all stipulations concerning the repatriation of Irian Jaya border crossers residing in PNG, including those guaranteeing their safety. Speaking to newsmen in Jakarta today, Minister Mokhtar said the agreement was drafted in Port Moresby by an Indonesian repatriation team and the PNG Government. He

said the repatriation would be carried out as scheduled, on 17 September. According to Minister Mokhtar, the repatriation of the border crossers no longer posed a problem. He said that preparations for it had been made and that they only had to be implemented. Based on data collected by the PNG Government, the number of border crossers covered by the repatriation program was estimated at 9,000 people. [Text] [BK311442 Jakarta Domestic Service in Indonesian 1200 GMT 31 Aug 84]

DIPLOMATIC APPOINTMENT--Singapore has approved the appointment of retired Lieutenant General Rais Abin as the new Indonesian ambassador to Singapore to succeed Ambassador Sujatmiko, who has ended his term of office, the Foreign Ministry announced on 31 August. Lt Gen Rais Abin is currently Indonesian ambassador to Malaysia. [Excerpt] [BK021538 Jakarta International Service in English 0800 GMT 1 Sep 84]

LATEST DEMOGRAPHIC INFORMATION--State Minister for Population Affairs and Environment Prof Dr Emil Salim says that Indonesia has succeeded in reducing birth rate from 4.4 percent to 3.4 percent and death rate from 2.3 percent to 1.7 percent a year. The achievement for Indonesia lasted from 1960 until 1982. Minister Emil Salim, speaking at a course on basic enemy [as heard] relating to environmental effects in Bandung, says that Indonesia is still continuing to reduce the number of children in each family by more than 80 percent, meaning that the family planning program will be stepped up. [Excerpt] [BK021538 Jakarta International Service in English 0800 GMT 31 Aug 84]

CSO: 4200/1015

MEASURES ADVOCATED TO IMPROVE TEACHERS' LIVING STANDARDS

Vientiane SUKSA MAI in Lao Mar 84 pp 1, 14

[Text] Our party highly values the teaching profession and we consider teaching an important revolutionary task that affects the nation, society and each generation. Our party guides the task of education through a chain of teachers by entrusting them with this historic, heavy and honorable duty. They are responsible for teaching, training and building new socialist people. They are the ones who directly pass on knowledge and culture to students under the direction and political policies of the party, and guarantee the quality of education in every area.

Therefore, our party and state are always deeply concerned, they respect teachers, take a close interest in building them up, and care for, serve and support them to the best of their ability. [The party and state] issue directives to every level of the education administration and seriously look after the material and spiritual standards of living of teachers. This is making teaching and learning succeed satisfactorily.

But areas and districts still are implementing inadequately the policies of the party and state toward teachers by allowing the standard of living in a number of teachers to be low, which prevents them from teaching to the expected standard.

To correct this unfinished task and its weak points, each level of the education administration must master and increase its responsibility more than before in looking after the well-being of teachers and in implementing policies toward teachers to the best of its ability in close cooperation with party committees, the National Construction Administration Committee, every level of mass organizations, the Student Parents Association, and the Education Funding Association.

[Each level of the education administration] should implement the existing policies, primarily by disbursing salaries and rice rations on time and continuously as scheduled. It must be determined to implement policies in accordance with the agreed measures that the Council of Ministers has laid down, such as policies toward teachers in remote and mountainous areas, female teachers, especially during pregnancy, teachers who teach overtime, so they can receive additional pay, or teachers who have special skills, and others.

To boost the spirits of teachers, [each level] must be brave enough to promote highly qualified and educated teachers, to praise those who successfully perform their duties, to take care of those who are ill, to help rebuild the families of teachers who have died, and to send teachers for continuing education. When teachers are old and cannot teach anymore, they should be retired with pensions, in accordance with the policy.

[Each level] should take an interest in building progress through the organizations of the party and state by sustaining politics and special skills so that teachers become revolutionary teachers, strong in politics and ideology, experienced with special skills and able to mobilize the masses completely.

[Each level] should gradually promote the role of teachers in society to a higher one, step by step.

In addition, we must take an interest in implementing the policies for developing family economics to be a strong point, to build up the conditions and abilities for it, such as in agriculture, animal husbandry, handicrafts and others, [to build up] a spirit of self-sufficiency and self-reliance and to participate in enriching and strengthening the national economy, step by step.

When all this has been accomplished, it will bring happiness, joy and stability for teachers and professors. They will be able to teach our beloved children without difficulties. This will make education run smoothly and be of good quality, expand the education movement and participate fully in adapting and developing socialism.

12597

CSO: 4206/154

RESISTANCE TO NEW TAX, PRICING POLICIES DESCRIBED

Vientiane VIENTIANE MAI in Lao 11 Jul 84 p 2

[Column by S. Phipthiengchanh: "Buyers and Sellers Must Follow the Law"]

[Excerpts] Not too long ago, the Vientiane Administration opened a study session on commercial tax laws and export-import tax regulations for cadres, government employees, workers and the general public. Its aim was to make them thoroughly understand and hold on firmly to these regulations in practice by performing their duties toward the country, as well as toward the new trading system under the socialist regime.

In order to have these regulations successfully enforced, our party and state, particularly the party committee and the Vientiane Administration Committee, requested the public and traders to alertly master the correct performance of their duties to the country. For example, they announced to all merchants that they must register their merchandise to the authorities in charge.

Since then, merchants have all been fully aware and willingly supportive and have implemented the suggestions of the authorities in charge. A lot of merchants have taken the lead and are the main forces in encouraging and supporting other merchants who did not understand these policies clearly, thus helping them correctly follow the regulations. Along with that, buyers are also participating strongly in implementing the regulatory system more widely.

But there is also a number of merchants who still have not absorbed these policies, which is shown by their dishonesty. For example, they do not post their prices and they sell their goods at higher than approved prices. They hide their merchandise or sometimes post prices just for the sake of appearances, but behind the backs of the authorities they remove the posted prices. When the authorities come by, they bring the posted prices back, but when they leave, they remove them again or else the prices are posted but they do not sell at those prices.

This kind of behavior creates a lot of confusion for the authorities on duty. Those who behave that way want to cause turmoil and difficulties in trade and to create trouble in the economy. They even intentionally destroy the regulations that the party and state have laid out to create favorable conditions for the people to perform their duties as good citizens of the nation and to build themselves into merchants of the new regime in a civilized trading system.

Above all, all local and foreign people who earn their living in trade should be good models, follow the regulations completely, honestly and sincerely, and lead in implementing the orders as well as the guidelines of the trade, taxation and other authorities.

As for consumers, above all, they have to participate enthusiastically and take the lead in helping authorities on duty. Before purchasing any goods, they should check the prices announced by the officials, avoid being too lenient and not rush to purchase any goods from merchants who do not post their prices.

Consumers should be alert together to assist the authorities on duty in every aspect, to wake up merchants who do not absorb and hold on firmly to the trade policies of the new regime, and to turn merchants around to correctly follow the trade laws. They should create conducive conditions for strongly helping develop the trade task and bravely fight together all trade violations, and support the people who honestly follow the laws.

12597

CS0: 4206/150

KHAMTAI SIPHANDON ON BUILDUP OF LAO ARMY

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Jan 84 pp 25-40

[Article by Senior General Khamtai Siphandon, member of the Political Bureau of the Lao People's Revolutionary Party, vice chairman of the Council of Ministers, minister of national defense and commander-in-chief of the Lao People's Army: "In Commemoration of the 35th Anniversary of the Establishment of the Lao People's Army, 20 January 1949-20 January 1984: the Lao People's Army--an Effective Tool in the Cause of National Liberation and the Defense of the Fatherland"]

[Text] This year, the Lao People's Army is 35 years old. It is the revolutionary army organized, built, led and educated by the Lao People's Revolutionary Party, the worthy successor to the Indochina Communist Party founded by the great President Ho Chi Minh. The Lao People's Army, a child of the laboring people of the Lao tribes, which fights with the strength of all the people fighting the enemy, the strength of the special militant alliance among Laos, Vietnam and Kampuchea and with the tremendous assistance of the Soviet Union and the other fraternal socialist countries, has waged a long fight filled with sacrifices, challenges and glorious victories over every enemy aggressor and has, together with all the people, written some of the most brilliant and inspiring chapters in the history of the nation. For the first time in the history of Laos, a new style army of the proletariat--a people's army--has been established and become an effective tool in the cause of national liberation and the defense of the Lao fatherland.

Looking back over its history, a history that radiates revolutionary heroism, and the very valuable lessons that have been learned, the Lao People's Army is filled with confidence and marching steadily forward under the ever victorious banner of the glorious Lao People's Revolutionary Party.

The Lao People's Army was born and constantly grew in the long and very glorious revolutionary struggle waged by the people of the Lao tribes to win independence and freedom for the fatherland and secure a life of comfort and happiness for all the people. Born of the political forces of the masses, of the armed propaganda units and the self-defense guerrilla units organized during the days of the uprising to seize political power in August, 1945, Lao revolutionary armed forces were established during the very first years of the

resistance against the French colonialists at many places throughout the country, such as the Latsavong unit in Sam Nua, the Patchay unit in Xieng Khouang, the Pha Ngum unit in Vientiane, the Saysethathilat unit in central Laos, the Saychaccaphat unit in lower Laos and so forth.

On 20 January 1949, in the face of the requirements of the war of resistance, the Itsala Lao Army--the present day Lao People's Army-- was officially established within the Latsavong unit, the commander of whom was the revered Kaysone Phomvihane, the present day general secretary of the Lao People's Revolutionary Party and chairman of the Council of Ministers of the People's Democratic Republic of Laos.

As soon as it was born, the Itsala Lao Army had to contend with the professional aggressor army of the French colonialists, which was many times larger and equipped with many modern weapons and much modern technical equipment. However, as a result of the correct resistance war line adopted by the party, with unshakeable determination to liberate the nation and win independence for the fatherland, relying upon the strength of the solidarity of the Lao tribes and standing shoulder to shoulder in combat with Vietnamese volunteer forces, the young, poorly equipped units of the Itsala Lao Army, which fought the enemy while building its forces and mobilizing the people to build the political base, took the initiative and continuously attacked the enemy on all battlefields throughout the country and underwent continuous growth. From small-scale, guerrilla attacks launched against enemy forces conducting sweep operations to protect its military bases and political base, the Itsala Lao Army, standing shoulder to shoulder in combat with Vietnamese volunteer forces, developed itself to the point where it was launching campaigns to annihilate whole contingents of enemy forces, liberate many large areas and, together with all the people, establish a battlefield deployment that enabled it to attack the enemy throughout the country and thwart the plans of aggression of the French colonialists. During the winter and spring of 1953-1954, in coordination with the historic Dien Bien Phu campaign, the Itsala Lao Army, along with Vietnamese volunteer forces, conducted large-scale, offensive campaigns in upper Laos, central Laos and lower Laos and won very large victories. These victories helped to bring about the defeat of the war of aggression of the French colonialists in Indochina and force them to sign the 1954 Geneva Accords, which restored peace in Indochina, recognized the independence, sovereignty and territorial integrity of Laos-Vietnam-Kampuchea, recognized the legitimate position of the Lao revolutionary forces and recognized the two resettlement provinces of Phong Saly and Sam Nua as a zone under the direct management of the Lao revolutionary forces.

As soon as the people and armed forces of Laos had brought their fight against the French colonialists to a victorious conclusion, they were forced to wage the war of resistance against the U.S. imperialist aggressors and their lackeys. Firmly adhering to the revolutionary line and policy and the people's war line of the party, the Lao People's Liberation Army, relying upon the strength of all the people and in close alliance with the people and the people's army of Vietnam, took the initiative and launched timely, decisive attacks against the enemy within each locality and throughout the country. Typical of these attacks were the tenacious battle fought to defend the two resettlement provinces; the offensive blows dealt to the enemy in the

campaigns to liberate the Plaine des Jarres and Xieng Khouang in 1961, Luang Namtha in 1962 and Nam Bac in 1968; the campaign to defeat the "Cu Kiet" campaign waged by more than 50 battalions of the Vang Pao "special forces" and Thai forces in 1970; the Route 9-Southern Laos campaign in 1971 and so forth. Together with winning victory on the battlefield, the Lao People's Liberation Army competently supported the masses in their struggle against the enemy, in uprisings to seize control of their localities and the legal struggle to achieve implementation of the Accords, achieve peace and national concord.

These positive and highly creative activities of the Lao People's Liberation Army helped to create an overall offensive posture that encompassed many areas and consisted of many different forces and forms of organization, military, political and diplomatic, which put the U.S. imperialists and their lackeys in an increasingly weak position and brought about their irreversible collapse. Each successive formula employed by the U.S. imperialists in their neo-colonialist war of aggression was thwarted, from the "special war" waged under the formula of Lao rightist forces + U.S. advisors + U.S. support to the "intensified special war" strategy carried out under the formula of Lao rightist forces + Vang Pao special forces + U.S. air support. The U.S. imperialists and their lackeys were forced to sign the Vientiane agreement in February, 1973 on restoring peace, achieving national concord and establishing a coalition government in Laos, an agreement in which they pledged to withdraw all U.S. forces from Laos, cease all military involvement in Laos and allow a large force of the Lao People's Liberation Army and the people's security forces to enter the two neutral cities of Vientiane and Luang Prabang to perform their task.

In early 1975, a time when a state of direct revolution had developed in Laos, the tremendous victory of the armed forces and people of Kampuchea, especially the total victory won by the armed forces and people of fraternal Vietnam in the strategic spring general offensive, created extremely favorable conditions that had a direct impact upon the Lao revolution. Seizing this "once in 1,000 years" historic opportunity, the party promptly made the strategic decision to call for mass uprisings and full-scale attacks to quickly put all political power into the hands of the people on the basis of the battlefield deployments that had been established in the three different zones and by means of three strategic blows: uprisings by the masses, pressure by the revolutionary armed forces and mutinies and defections within the local army coordinated with the various spearheads of the legal struggle.

In keeping with this strategic decision, the Lao People's Revolutionary Army, together with revolutionary and patriotic forces, launched the historic May, 1975 strategic offensive in which they quickly occupied strategically important positions in the major cities and the command centers of the enemy, such as Vientiane, Pakxe and Savannakhet, and brought strong military pressure to bear in support of the various strata of the people within the areas controlled by the opposition as they arose in intense demonstrations to press their demands for the removal of U.S. advisors and the dissolution of the various U.S. military agencies and expose traitorous reactionaries, as a result of which the spirit of the masses soared and the enemy became panic-stricken, their morale was shattered and their ranks collapsed. Many enemy

units rebelled and declared their support of the struggle being waged by the masses.

By means of these strong uprisings and fierce attacks, the armed forces and people of Laos brought down the entire government of the U.S. imperialist lackeys, disarmed the entire lackey mercenary army of the United States, confiscated all their weapons, took over all their warehouses, military bases and so forth. More than 5 billion dollars, 12,000 U.S. advisors, more than 100,000 mercenary troops trained, equipped and commanded by the United States and the entire war effort on the ground and in the air, an effort that involved more than 9 million tons of bombs and shells, together with the entire neo-colonialist war of aggression doctrine of the U.S. imperialists had come to naught in Laos.

On 2 December 1975, with the great victory that had been won in the cause of national liberation, the People's Democratic Republic of Laos was born. The Lao revolution entered a new stage, a stage with two strategic tasks: defending the fatherland and building the country along socialist lines. However, the enemy still refused to accept defeat. They have fiercely opposed the Lao revolution in every way possible, especially since the reactionaries within Beijing ruling circles declared that they would collaborate with the U.S. imperialists and other reactionary powers and intensified their very villainous, crafty and dangerous acts of sabotage in many different areas in a vain attempt to weaken and eventually annex Laos.

During the past 8 years, focusing its efforts on these two strategic tasks, the Lao People's Army, along with all the people, has made every effort to maintain and strengthen the security system throughout the country, defeated many insurrections and acts of harassment by reactionary forces and appropriately retaliated against armed activity, each act of provocation and each occupation of land along the border by our enemies, thereby maintaining the sovereignty and territorial integrity of the fatherland. In keeping with the party's policy of boldly redirecting efforts toward the basic level, the Lao People's Army and the sectors of the state have sent forces into the various localities, where they have applied the three-part guideline of fighting the enemy and building and strengthening the dictatorship of the proletariat system on the basic level while helping the people increase production and carry out economic and cultural development within the locality, thereby helping to stabilize the situation with each passing day and defeating every attempt by the enemy to sabotage the country's security. At the same time, as part of their special militant alliance with the armed forces and people of the two fraternal countries of Vietnam and Kampuchea and their solidarity and comprehensive cooperation with the Soviet Union and other fraternal socialist countries, the armed forces and people of Laos have continuously strengthened the country's defenses, developed its national defense capabilities and heightened their readiness to fight in defense of the fatherland. The Lao People's Army of today, which is larger and stronger than ever before, has mobile main forces that consist of combined branch units on the scale of military corps that are gradually being built and developed into regular-force, modern units and include combat and the necessary support elements, air and air defense forces and so forth; at the same time, it consists of an entire network of provincial-district local forces and hundreds

of thousands of guerrilla-self-defense soldiers, who constitute a local strength that extends throughout the country.

The armed forces, united in will and action, are always sharpening their revolutionary vigilance, regularly study and fully understand the lines and policies of the party and state, continuously work to improve their combat and job skills and stand ready to successfully perform each task assigned by the party and state.

Born of the people and fighting for independence, freedom and socialism, the Lao People's Army is very deserving of the praise given it by the Central Committee of the Lao People's Revolutionary Party: "It has always taken the lead in each task of the party, bravely overcome every difficulty and hardship, won victory over every enemy, completed every task and is worthy of being the solid pillar of the revolution, an effective tool of dictatorship of the party..." and worthy of the National Gold Medal, the highest honor awarded by the Lao party and state.

The process of the Lao People's Army's continuous growth and glorious victories has its origins first in the correct leadership, the education and the training provided by the Lao People's Revolutionary Party. It is the party that has directly built, led and educated the armed forces from the time they were first established and throughout the entire course of its combat and buildup over the past 35 years. Through its political line and military line, the party has established combat objectives, defined the principles governing the buildup and organization of forces, developed the mode of warfare and combat art of the army during each period of the revolution and created solid unity between the people and the army, between the frontlines and the rear area. The organizations of the party, from the central to the local levels, have given their full attention to creating every condition needed for the army to grow and win victory, to complete each task assigned to it.

The solidarity of the people of the various tribes, the high degree of political and moral consensus between the people and the armed forces and the people's love and wholehearted assistance for the army are the sources of strength that have enabled the Lao armed forces to grow and win victory. Under the banner of the party, a banner that radiates our just cause, the tradition among the people of the Lao tribes of uniting as one and fighting the enemy to defend their villages, defend the country has been constantly enhanced and assumed a new quality. Hundreds of thousands of sons of the various tribes have eagerly joined the army to bear arms and fight the enemy. The people of the various localities, together with guerrilla forces and troops, have fought bravely and protected their villages, have shared their food and clothing with troops, actively supported the frontlines and supported cadres and soldiers in their activities within areas temporarily controlled by the enemy. These are the foundations of the invincible fighting strength of the Lao people's armed forces.

The fine revolutionary qualities of cadres and soldiers and the skill of the armed forces and people of Laos in the art of fighting the enemy are the direct causes of the invincible strength of the Lao revolutionary armed forces.

For the cause of national liberation, for the independence and freedom of the fatherland, for socialism, the cadres and soldiers of the Lao revolutionary army fought bravely and tenaciously and have completed each task assigned by the party and people under extremely difficult and arduous conditions and in the face of many shortages. The 2nd Battalion's defeat of the enemy's plan to surround, entice and win them over and their success in fighting their way back to their base through resourcefulness and determination; a security company's presence in the city of Vientiane for more than 10 years when the city was still an enemy stronghold; and the units of the Lao People's Liberation Army that worked in the two neutral cities striking fear in the hearts of the enemy, winning the enemy's respect and winning the confidence and support of the people are typical examples of the fine revolutionary qualities of the Lao People's Liberation Army. In the test of strength against the aggressor and lackey armies, which were superior to it in terms of troop strength, modern weapons and rear service support, the Lao People's Army displayed its advanced art of fighting. It is the art of taking the initiative and attacking the enemy by means of every available force, method and type of weapon, of coordinating armed struggle with the political struggle and the other struggles waged by the people. As a result of this art, the Lao revolutionary armed forces, instead of being annihilated as had been predicted in the clever plans of bourgeois military strategists, defeated the aggressor and mercenary armies whose operations were planned and commanded by "respected strategists" of imperialism in Europe and the United States.

The special solidarity and militant alliance among the armed forces and peoples of the three countries of Laos-Vietnam-Kampuchea and the increasing assistance of the Soviet Union and the other fraternal socialist countries have been extremely important factors in guaranteeing victory by the armed forces and people of Laos throughout the course of their revolutionary struggle.

To the Lao armed forces, the militant alliance with the armed force and people of Vietnam has special, historic significance. Formed during the early days of the war of resistance, when the Lao armed forces were still small guerrilla units, this alliance helped the armed forces and the struggle waged by the people of Laos to overcome every dangerous challenge and continuously grow in size and strength, thereby creating the conditions for the major turning points in the Lao people's war of resistance that led to final victory. Today, in the defense of the fatherland and socialist construction, the militant alliance between Laos and Vietnam continues to be a basic factor in the victories of the revolution of the two countries and each country. The armed forces and people of Laos are determined to protect and develop this special alliance, considering it to be a matter of survival as regards the destiny of our fatherland.

The armed forces and people of fraternal Kampuchea united and coordinated in combat with the armed forces and people of Laos as well as the armed forces and people of Vietnam throughout the two wars of resistance against France and the United States and also won victory. The brave uprising by the revolutionary armed forces and people of Kampuchea, which was supported by the armed forces and people of Vietnam, that crushed the Pol Pot genocidal regime and thwarted the malicious plans of the big country expansionists and

hegemonists of China provided direct and very valuable support to the armed forces and people of Laos in their work of defending and building the country and made an extremely important contribution to the victory of the revolution of the three countries of Indochina and to the militant solidarity and alliance among the three nations.

In the course of their combat, buildup and growth, the Lao people's armed forces have continuously received strong moral and material support from the fraternal socialist countries. In particular, the Soviet Union constantly supported and assisted the fight waged by the armed forces and people of Laos in each stage of the revolution and is today providing them with tremendous, effective assistance in many fields. The growth of the Lao People's Army toward becoming a regular force, modern army and the continuous development of the economic and national defense potentials of the country of Laos have been closely linked to the assistance provided by the fraternal socialist countries, among which the contributions made by the Soviet Union have been extremely important. This assistance, which radiates the socialist international spirit, strongly inspired and increased the strength of the armed forces and people of Laos in the war of resistance as well as in the present work of defending the fatherland and building socialism.

Under the correct and creative leadership of the Lao People's Revolutionary Party, the people and revolutionary armed forces of Laos won great victory; at the same time, they have learned and tested basic lessons in building the new style army, in armed struggle and in a people's war against a war of aggression waged by imperialism and reactionary cliques in modern times.

From the 35 years of the combat and buildup of the Lao revolutionary armed forces, the following number of conclusions of practical importance can be drawn:

The most basic conclusion is that without strengthening the party's leadership of the armed forces, it is impossible to continuously strengthen and develop the unity and consensus between the people and the armed forces. Direct and comprehensive leadership by the party is that which determines the revolutionary nature, the working class nature of the Lao People's Army and is the main source of its fighting strength. The party gained a thorough understanding of and very correctly and creatively applied the Marxist-Leninist doctrine on class struggle and revolutionary struggle to the specific historical circumstances of the Lao revolution. The party confirmed that violent revolutionary force had to be used to crush counter-revolutionary force and considered the revolutionary army to be an effective tool of force in the cause of national liberation as well as in defending the fatherland. The political line and task, the military line and task of the party have always charted the course of the army in its combat and buildup. By basing both its combat operations and buildup on the revolutionary line and tasks of the party, the Lao People's Army fulfilled its role as the central force in the struggle against the enemy aggressors and in the war of liberation and is fulfilling the same role in the buildup and development of revolutionary forces and the revolutionary struggle, in general. In every period of the long revolutionary struggle, the Lao People's Army has been directly led, educated and guided by the party in every respect. The party has constantly

educated the army in order to show it who the enemies of the revolution are and give it a thorough understanding of combat objectives while defining and directing attacks against specific targets in each stage of the struggle. It was the party that directly led and organized the people and the army in fighting the enemy together and closely coordinated the fighting strength of the army and the strength of all the people so that the army fought the enemy supported by the increasingly powerful strength of the people's war. The thoroughly revolutionary thinking, the offensive revolutionary thinking and the highly creative revolutionary method of the party have served as a solid foundation upon which the army has correctly resolved the various problems regarding military art, fully displayed its full fighting strength, overcome many stern challenges, completed each task and grown stronger with each passing day.

The leadership of the party is the source of the consensus between the people of the various tribes and the Lao revolutionary armed forces. The party organized an army that embodies the full nature of the working class and is entirely a people's army, as seen in its combat objectives, the organization of its forces and its art of fighting the enemy. As a result, the relationship between the army and the people is a fraternal relationship, is the relationship of fish to water, is a relationship of living and dying together in the struggle against national and class enemies. This relationship has been one of the factors determining the survival, development and victory of the Lao revolutionary army in the face of each enemy. To the army, constantly maintaining and displaying its fine revolutionary nature and fighting and sacrificing as one for the sake of the interests and happiness of the people are the most basic way to increase its fighting strength and strengthen and develop the consensus between the people and the revolutionary armed forces.

The second conclusion is that fighting while building up its forces and fulfilling its main functions means waging the armed struggle while carrying out its task as the shock force of the party in the agitation of the masses and building the political base while participating in economic and cultural development. Fighting the enemy while building its own forces, closely coordinating combat and the buildup of forces, building its forces in accordance with the requirements of combat and winning victory in combat in order to successfully build its forces are the law of development of the Lao People's Army. Under the specific historical circumstances of the Lao revolution, the process of fighting the enemy while building the forces of the army, of closely coordinating combat and the buildup of forces has also been the process of waging a resolute struggle against the enemy, of taking the initiative in attacking the enemy and the process of the army actively participating in building, strengthening and developing the forces of the revolution. This is a continuous and complex struggle, a political as well as armed struggle, to wipe out the enemy, win the support of the people, gain control of territory, use the weapons of the enemy to fight the enemy, enlighten and encourage the masses to follow the path of the revolution, build political forces, build the political base and, in this way, acquire the forces, the territory, the weapons and the rear bases needed to build and develop the revolutionary armed forces throughout the country.

Within the people's war in Laos, the Lao revolutionary army serves the main functions of waging the armed struggle while acting as the shock force of the party in mass agitation, building the political base and participating in economic and cultural development. These are concrete and vivid expressions of the viewpoint of coordinating the armed struggle and the political struggle within the people's war and establishing coordination between the economy and national defense, between national defense and the economy in the cause of defending and building the country. They also reflect the comprehensive, popular nature of the people's war in Laos and give concrete form to the role played by the Lao revolutionary army as the effective tool of violent force in the revolutionary war and the revolution, in general. In actuality, the Lao revolutionary army excellently completed its tasks in the armed struggle and has fulfilled its role as the shock force in mobilizing the masses and building the political base through a wide variety of creative forms of organization and methods. It launched military attacks to support the masses as they arose in struggle and generated military pressure that supported uprisings by the masses and caused enemy troops to rebel and change sides, thereby shattering the enemy's ranks; mobilized the masses to wipe out and take land back from the "bandits" and built the political base in the various localities and areas; served as the base of support of the masses in the legal struggle against the lackey government for the implementation of the agreements that had been signed; agitated among and persuaded the armed forces of the patriotic neutral faction to follow the course of genuine revolution and excellently carried out the front policy of the party on the establishment of a political and military alliance with neutral forces. In all periods of its development, from the early units engaged in decentralized operations to today's centralized units of varying sizes, the Lao people's armed forces have, at all times and places, had the two main tasks of fighting to wipe out the military forces of the enemy while participating in mobilizing the masses to build and strengthen the political base and helping the people carry out production and improve their standard of living. Both of these tasks have always been closely linked to each other; depending upon the time and place, each unit gives priority to one or the other of these tasks. After the country was completely liberated, along with its tasks of fighting the enemy, maintaining combat readiness and building and solidifying the base, the Lao People's Army assumed a production task and today has the task of participating in economic and cultural development, thereby making positive contributions to the building of the country. This reflects the application of the experiences and tradition of the war of resistance in the present stage of the revolution for the purpose of coordinating for the Lao people's armed forces the two strategic tasks of defending the fatherland and building socialism.

The third conclusion is that in the buildup of the revolutionary armed forces, in conjunction with endeavoring to build a people's army of high quality and sufficient size that has a well balanced, rational organizational structure, full importance must also be attached to the building of strong, widespread mass armed forces on the basic level. The Lao People's Revolutionary Party has affirmed that the forces waging the people's war are the forces of the people of the various tribes united within the National United Front, which is based on the alliance of workers and farmers led by the party and consists of armed forces and political forces. The Lao revolutionary armed forces were

born of political forces and initially assumed the form of broad, large mass armed forces. These forces are a component, the central component, of the political forces of the masses on the basic level. On the basis of the constant expansion of the mass armed forces, we gradually built standing armed forces, beginning with units of the local armed forces within each area, which were followed by main force units on each battlefield and eventually mobile forces within each of the country's large strategic areas. Thus, the Lao revolutionary armed forces consist of a new style, regular force army and mass armed forces and encompass three basic elements: main force troops, local troops and guerrilla militia forces. The main force troops are our mobile, centralized forces; the local troops and guerrilla militia are our stationary forces. The organization of the armed forces described above reflects a profound class and popular nature and symbolizes the strength of all the people, the strength of the army and people fighting the enemy together, which is consistent with the realities of the Lao revolution.

The realities of the long fight confirmed that both mobile forces and stationary forces consisting of the three elements of main force troops, local troops and the guerrilla militia play a very important strategic role and that none of these forces can be given light attention. These forces must be built and developed in a balanced and rational manner in order to create an overall fighting strength that is consistent with the task of the armed struggle, with the actual conditions that exist during each period of development of a war.

In the process of building the armed forces, the party has always attached importance to building the armed forces politically, with primary emphasis upon the quality of the armed forces. It has enhanced the revolutionary nature of the armed forces through a constant educational effort and concerned itself with establishing and solidifying the various relationships of the army (the relationship between the army and civilians, the relationship between cadres and soldiers, tribal relationships and international relations). It has established the correct relationships between size and quality, between organization and thinking, between weapons and personnel and has, by developing upon the factors of politics and morale in coordination with taking various organizational measures, constantly increased the combat efficiency of the armed forces and resolved difficulties with materiel and equipment. Building a corps of cadres who possess unquestioned loyalty to the revolutionary undertaking of the party, who possess the full personal qualities and skills needed to command troops in victorious combat against the enemy and who complete each assigned task is the central job in the buildup of the armed forces, is a job to which the party has attached special importance and has successfully performed under the circumstances of Lao society, an underdeveloped society that consists of many tribes, a society in which the revolutionary struggle is an extremely difficult, bitter and complex struggle. This represents a major success for the party, one which guarantees that the armed forces constantly grow and win victory.

The fourth conclusion is the need to fully adhere to the thinking of an offensive strategy, of taking the initiative in attacking the enemy and coordinating guerrilla attacks and concerted attacks within a constantly developing people's war battlefield deployment. This is the art of

incorporating and developing upon the long standing tradition and experience of the Lao nation in coordination with the advanced experiences of our times; this art correctly and creatively applies the method of revolutionary struggle of the Lao People's Revolutionary Party within the field of armed struggle.

One of the distinguishing characteristics of the art of fighting of the Lao revolutionary armed forces is the thinking of taking the initiative in attacking the enemy. It has its origins in the thoroughly revolutionary spirit, the revolutionary-offensive spirit of the proletariat; at the same time, it reflects the necessary operating principles of an army that must use small forces to win large victories, an army that must use few forces to defeat many enemy forces, an army that would be annihilated by its large, well equipped enemy if it assumed a passive, defensive posture. The Lao People's Army has put this thinking into practice in each of its combat operations. It entails launching both guerrilla and concerted attacks against the enemy, launching small, medium and large-scale attacks and mounting operations to wipe out important contingents of enemy forces while encouraging enemy troops to revolt and change sides, thereby shattering their ranks. It entails attacks against the enemy right within the village, within the locality, on each battlefield, within all three zones, the liberated zone, the enemy controlled zone and the neutral zone, and throughout the country.

The Lao armed forces progressed from guerrilla attacks to concerted attacks, to guerrilla attacks coordinated with concerted attacks. Guerrilla fighting, which is the effective style of fighting of the guerrilla militia, of all the people, is designed to take the initiative in attacking the enemy at all times and places, to stretch out and decentralize their forces, wipe out one small contingent of enemy troops at a time, weaken the enemy through heavy attrition and create the conditions for coordinating with concerted attacks. Concerted attacks are designed to wipe out important contingents of enemy forces and create strong military pressure to support the masses in their struggle, to cause enemy troops to revolt and change sides, thereby changing the battlefield situation and bringing the war to a victorious conclusion. The Lao People's Army fought the enemy by means of guerrilla attacks and concerted attacks throughout the course of the armed struggle. These guerrilla attacks became increasingly widespread, assumed a wide variety of forms and were characterized by participation by all the people. Our concerted attacks grew from small battles to many large battles, to campaigns that increasingly involved many factors of modern combat coordination among the various branches, including combat operations conducted within the alliance with the Vietnamese Volunteer military corps on one battlefield.

Of importance in taking the initiative in attacking the enemy and achieving the effectiveness of guerrilla fighting coordinated with concerted attacks is the need to establish a widespread and solid people's war battlefield deployment within each locality, on each battlefield and throughout the country. As a result of being able to rely upon such a battlefield deployment, the Lao armed forces were able to take the initiative in attacking the enemy, effectively coordinated guerrilla fighting and concerted attacks and, on the basis of these achievements in combat, made the battlefield deployment of the people's war increasingly solid.

The fifth conclusion is that it is necessary to display self-reliance and a high spirit of socialist international solidarity. The Lao People's Revolutionary Party has always taught the Lao armed forces to display a high spirit of self-reliance while making every effort to consolidate the special militant alliance among Laos-Vietnam-Kampuchea and strengthen our solidarity and comprehensive cooperation with the Soviet Union and the other fraternal socialist countries, thereby combining the strength of the nation and the strength of our times.

Imbued with this viewpoint, the Lao People's Army did its very best to fully utilize its strengths and, relying also upon the strength of all the people, waged the armed struggle, served as the shock force in the building of the base among the masses and in the political struggle carried out under the political line and military line of the party and completed each task assigned to it well. The victory of the Lao revolution, of the Lao armed forces made a worthy contribution to the common victory of the three countries of Indochina and helped to develop the offensive of the three revolutionary currents against imperialism, led by U.S. imperialism.

As an army characterized by friendship among fraternal nationalities, the Lao People's Army has always displayed a high socialist international spirit, always closely united and shared a militant alliance with the people and the people's army of Vietnam, with the people and the revolutionary army of Kampuchea on one battlefield. For more than one-third of a century, the Lao People's Army has stood shoulder to shoulder with Vietnamese volunteer forces on Lao soil. The blood that Vietnamese volunteer soldiers, that Lao soldiers spilled on Lao soil was sacrificed for the cause of the Lao revolution and for the victory of the fraternal peoples of Vietnam and Kampuchea. The fight that we fought as well as the present situation show that the enemy is very fearful of the invincible strength of the militant alliance among Laos-Vietnam-Kampuchea. They are pursuing countless plans in a vain attempt to crack and undermine this fraternal alliance. Therefore, the Lao army and the people of the Lao tribes are constantly alert and vigilant, are determined to promptly crush each divisive scheme of the enemy and work hard to constantly strengthen the special, militant alliance among Laos-Vietnam-Kampuchea.

As confirmed by the 3rd Congress of the Lao People's Revolutionary Party, solidarity and comprehensive cooperation with the great Soviet Union and the other fraternal socialist countries are always the bedrock of the foreign policy of the Lao party and state. The Lao People's Army is determined to protect and fully implement this policy, determined, together with all the people, to do its very best to make the friendship and militant solidarity between the army and people of Laos and the armies and peoples of the Soviet Union and the other fraternal socialist countries forever strong.

The great victory of the cause of national liberation, the winning of independence and freedom for the fatherland, the large achievements that have been recorded in every area in recent years and the historic resolutions of the 3rd Congress of the Lao People's Revolutionary Party are strongly inspiring the people of the Lao tribes as we enter the new era of the country, the era of peace, independence, unity and the advance to socialism.

The 3rd Congress of the Lao People's Revolutionary Party set the guidelines and tasks of the Lao revolution in the new stage as: "...Turning our country into a country that has a developed agriculture, forestry and industry; building a life of comfort, happiness and joy for the people of the various tribes; forever abolishing the exploitation of man by man; improving national defense-security work, firmly defending our sovereignty, national independence and the new system and building a Laos of peace, independence, unity and socialism; joining with Vietnam and Kampuchea to firmly defend the outpost of the socialist system within the region and making positive contributions to the struggle for peace, national independence, democracy and socialism in the world"(the Proceedings of the 3rd Congress of the Lao People's Revolutionary Party, Volume I, pp 47-48, Lao version).

The party, people and army of Laos are carrying out these guidelines and tasks against the background of new developments in the situation surrounding the Lao revolution.

The Chinese expansionists and hegemonists, who have become the immediate, dangerous enemy of the Lao people, are eager to annex Laos and the entire Indochina peninsula in order to open the way for expansion southward in a vain attempt to become the rulers of all Southeast Asia.

The U.S. imperialists, although tragically defeated, have yet to abandon their scheme of aggression against Laos and the two fraternal countries of Vietnam and Kampuchea and are resorting to every crafty trick they can in order to come back and enslave the peoples of the three countries of Indochina.

The reactionary powers in Southeast Asia, supported by the United States, China and other international reactionaries, are pursuing a hostile policy toward the people of Laos, toward the peoples of the three countries of Indochina, and being used as the tool for carrying out the plans of aggression and expansion of the rulers in the Celestial Palace and the White House in a vain attempt to achieve their ugly, separate goals and interests.

The counter-revolutionary collaboration among Chinese expansionism and hegemony, U.S. imperialism and the reactionary powers within the region is a dangerous factor, constitutes a direct threat to the peace, security and national independence of the People's Democratic Republic of Laos, of the two countries of Vietnam and Kampuchea and has caused instability within the region.

Thus, after struggling for more than one-half century to win independence and freedom, defeating many enemies in succession and bringing the cause of national liberation to a glorious conclusion, the people of Laos must today wage a new struggle against a new and very dangerous enemy.

In the face of this situation, the 3rd Congress of the Lao People's Revolutionary Party defined the national defense-security task in the new stage of the revolution as: "Our entire party, our entire army and all our people must gain a full understanding of the party's political line and its line on a full-scale national defense-security system supported by all the people, tap the combined strength of the people of the tribes throughout the

country, make every effort to build strong and solid national defense-security forces and constantly strengthen and solidify the comprehensive militant alliance with the two fraternal countries of Vietnam and Kampuchea while closely uniting with and relying upon the assistance being provided in all areas by the Soviet Union and the other fraternal socialist countries with a view toward stabilizing the security situation within the country in a fundamental and firm manner. We must strengthen our national defense potentials and always maintain combat readiness so that we can defeat each scheme and act of aggression of the enemy, regardless of its scale, its form and the methods by which it is carried out, regardless of the area of the country in which it occurs."

Carrying out the national defense-security task set forth by the party congress entails a process of wholehearted efforts by the entire party, by all the people and the entire Lao army, by the entire dictatorship of the proletariat system throughout the country. It is the process of continuously strengthening the party's leadership of national defense-security work and constantly educating all the people and the entire army in order to raise their spirit of revolutionary vigilance. We must solidify the unity of all the people and fully utilize the strengths of the people of the various tribes in the maintenance of security and the defense of the fatherland. We must achieve the full effectiveness of the government on the various levels, from the central to the local levels, in mobilizing the capabilities of the entire country and organizing the successful performance of the tasks established by the party congress. It is also the process of gradually meeting the following basic requirements: closely coordinating the defense and construction of the fatherland; coordinating national defense work and security work; coordinating the transformation, construction and development of the economy and the building and development of our national defense-security strength; coordinating the building and preparations of political-spiritual strength and material strength; coordinating this building and these preparations for both the armed forces and all the people; coordinating the strength of the country of Laos and the strength of the special militant alliance of the three countries of Indochina; coordinating the fight against the wide-ranging sabotage of the enemy and the maintenance of our readiness to defeat a war of aggression launched by the enemy in every situation... These fundamental requirements must be met in full at installations, within villages, on streets, at enterprises and worksites, within each district, province and municipality and on a nationwide scale in accordance with a unified plan, beginning first within key areas and in regions of strategic importance.

To perform the tasks described above, the entire party and all the people of Laos must attach very much importance to building up the people's armed forces on the basis of a complete and aligned national defense-security system in which all the people participate, to building up the people's army and the mass armed forces in every respect in order to meet the requirements of defending the fatherland in the new stage of the revolution.

In the process of building the Lao People's Army, we must always give full attention to building it politically. Above everything else, we must further strengthen the leadership of the army by the Lao People's Revolutionary Party. We must teach cadres and soldiers so that they fully understand and

successfully carry out the political line and the military line of the party in the new stage. We must continue the educational effort to give cadres and soldiers a full understanding of the three political tasks that reflect the nature and tradition of the Lao People's Army, namely, to fight, to mobilize the masses to build the base and to participate in economic and cultural development and a full understanding of the four different relationships (the relationship between the army and civilians, the relationship between cadres and soldiers, tribal relationships and international relations). The purpose of all this is to strengthen the revolutionary, popular nature of the Lao People's Army in accordance with the requirements of defending and building the fatherland.

The Lao People's Army must further improve its organization staff and equipment along the lines of building a regular force, modern revolutionary army suited to the conditions of the country and the tasks of the new stage. On the basis of combat tasks, the capabilities of the country and the good utilization of the assistance provided by the fraternal countries, we must establish a rational structure encompassing main force troops, local forces and the guerrilla and self-defense forces on the basic level. Efforts must be focused on building a corps of leadership cadres, command cadres and technical cadres of sufficient size and high quality to serve as the nucleus in the buildup of the army in the new stage. Every effort must be made to overcome our weaknesses and difficulties in the areas of organization, staff, training, rear service supply and so forth within a specific amount of time to insure that the army is always in a high state of combat readiness.

We must make use of the capabilities of the people of the various tribes within each locality and throughout the country so that they actively participate in strengthening, building and developing the material, technical and rear service support system for the army. This system must be capable of supporting the buildup of forces and the maintenance of combat readiness better and capable of developing to meet the requirements of large-scale, modern warfare, including warfare in which we participate as a member of the alliance, in the future on each strategic front as well as throughout the country. We must take proper delivery of, properly maintain and become the masters of each weapon and piece of technical equipment, especially modern weapons and technical equipment. We must use this equipment in an economical manner, in a manner which insures its durability, and gradually put the management of the material, technical and rear service base of the army on a regular, strict basis.

In order to carry out the military tasks established by the party and build the army in a fundamental, long-range manner, we must urgently conduct a review of the experiences that have been gained and gradually perfect our theory of military science and our military art. The great victory of the long and extremely glorious fight waged by the armed forces and people of Laos confirmed the revolutionary, scientific and progressive nature of both the theory and practice of the Lao People's Revolutionary Party in a people's war. We must actively and thoroughly review these matters of theory and practice as well as matters pertaining to the military line, to strategy, to the organization and buildup of forces, to the art of struggle and so forth in order to preserve the precious assets of the army and people of Laos and lay a

solid foundation for correctly resolving national defense-security problems in the new stage. On this basis, we must gradually perfect our theory of military science and our military art to keep pace with the new developments of a people's war to defend the fatherland.

The characteristics of the situation in the new stage demand that we further strengthen the solidarity and militant alliance among the peoples and armed forces of the three countries of Laos-Vietnam-Kampuchea. This was one of the laws of victory in the revolution of each country over the past 30 years and more and remains a law of victory in today's work of building and defending the fatherland. The process of the buildup and growth of the Lao People's Army will forever be closely linked to the firm development of the special Laos-Vietnam-Kampuchea alliance, closely linked to the strategic alliance between the three countries of Indochina and the Soviet Union and other fraternal socialist countries. The Lao People's Army, the cadres and soldiers of the Lao revolutionary forces promise to do everything they can to help further strengthen and develop this solidarity and special alliance by means of specific, practical efforts. This is not only our noble international obligation, it is also a matter of vital importance to the Lao People's Army in increasing its fighting strength in the struggle against the common enemy being waged by the armed forces and peoples of the three fraternal countries of Indochina.

The past 35 years of combat and growth of the Lao People's Army are brilliant chapters in the epic of the Lao tribes of resisting foreign aggression, of winning and maintaining national independence, are a source of great pride and strong inspiration to the armed forces and people of Laos in today's cause of defending and building the fatherland.

Looking back on the glorious period of history just past and looking ahead to the brilliant future of the country, the Lao People's Army is determined to move forward, determined to make extraordinary efforts, to constantly increase its fighting strength and stands ready to work along with all the people to excellently complete each task in the new stage of the revolution. The cadres and soldiers of the Lao People's Army are determined to be deserving of the trust of the party and the people of the Lao tribes, to unite in learning and militant alliance with the peoples and armies of the two fraternal countries of Vietnam and Kampuchea, with the peoples and armies of the Soviet Union and the other fraternal socialist countries to firmly defend the battle position of socialism in Indochina and help to maintain peace and stability in Southeast Asia.

7809

CSO: 4209/405

BRIEFS

OUDOMSAI RECRUITMENT -- This illustrates the great concern about the policies of the party and state and the role of Lao youth in national defense and in building nationalsim. In 1984, a total of 60 youths, including 6 women, in Pakbeng District, Oudomsai Province, alertly volunteered to defend the country by participating in national security. Presently, they are seriously studying politics and military science to improve their skills, knowledge and special aptitudes for holding firmly to the policies and strategies of defense and other movements. All this is being done so they can smoothly perform their tasks along the directions that have been laid down. [Vientiane KHAO SAN PATHET LAO in Lao 9 Jul 84 p A5] 12597

VIENTIANE DISTRICT POPULATION, COOPERATIVES -- Sisattanak District is well known in Vientiane Capital. It has 5 cantons, Phia Wat, That Khao, Sisattanak, Wat Sob and Chom Cheng, and 35 villages with a population of 40,166 people, including 19,831 men. There are 5,785 houses and 6,618 households, including 2,684 foreigners with 658 households. The people have willingly and conscientiously formed 12 agricultural cooperatives with 198 households and 1,275 members with a production area of 119.65 hectares. The entire district has a production area of 708 hectares. [Vientiane VIENTIANE MAI in Lao 17 Jul 84 p 2] 12597

FRENCH FILM SHOW--On 13 July the Lao Ministry of Culture, working with the French Embassy, organized a showing of films in a Vientiane theatre on the occasion of the French Republic's national day 14 July. Present at the showing were ministers and vice-ministers, members of the Supreme People's Assembly, high-ranking cadres, and a great number of Vientiane residents. Members of the diplomatic corps and international organizations in Laos also were present. [Text] [Vientiane BULLETIN QUOTIDIEN in French 14 Jul 84 p 3]

CSO: 4219/55

MIC INCUMBENTS SWEEP POLL

Kuala Lumpur NEW STRAITS TIMES in English 22 Jul 84 p 1

[Text]

PETALING JAYA, Sat. — All the president's men made a clean sweep of the MIC elections here this evening.

Deputy president Mr S. Subramaniam retained his position with a massive majority, polling 742 votes.

His challengers, Federal Territory's Jalan Hussein branch chairman Mr A. Phillips and Pahang MIC chief Mr V.V. Abou secured 44 and 32 votes, respectively.

Incumbent vice-presidents Datuk K. Pathmanaban and Mr M. G. Pandithan also retained their positions.

Deputy Health Minister Datuk Pathmanaban, who last time around collected the highest number of votes, repeated his feat today with 644 votes.

Mr Pandithan, a journalist, secured 614 votes while the party chief's protegee, Senator D. P. Vijendran obtained 487 votes to also clinch a vice-presidency.

Among the other contenders for the vice-presidency were two veterans, Negeri Sembilan MIC chief Mr M. Muthupalaniappan and former Perak State party leader Datuk V. Ponnusamy Pillai.

Mr Muthupalaniappan, who is also the MIC Youth leader, secured 272 votes while Datuk Ponnusamy obtained 275.

The five central working committee seats were won by Dr N. G. Baskaran (672 votes), Datuk V.L.Kandan

(666 votes), Datuk Dr Kernail Singh Nijhar (648 votes), Mr C. Krishnan (577 votes) and Mr P. Balaraman (514 votes).

All of them had earlier been on the party president Datuk Samy Vellu's list.

Ten other candidates also vied for seats in the central working committee.

The victory of all the president's men is seen as a clear endorsement for the leadership of Datuk Samy Vellu who had well before the nominations indicated that he would like his team returned so that it could get on with the various tasks facing the party, in particular, Maika Holdings, the investment arm of the MIC.

An obviously elated Datuk Samy Vellu told *The New Sunday Times* that he was happy that the delegates had voted in the team that he wanted.

"The most important aspect of a leadership is that he must have good backing from his team. When a leader comes up with an idea, the others must be able to at once realise the benefits of the idea and support it rather than shoot it down."

Earlier, after announcing the results, Datuk Samy Vellu explained to the delegates that while he did not object to contests for positions in the party, he was of the view that those elected should be able to work with the leadership and contribute towards the betterment of the organisation.

ROMANIA PLANS JOINT VENTURES

Kuala Lumpur BUSINESS TIMES in English 2 Aug 84 p 24

[Article by Fauziah Haji Ismail]

[Text]

IN an effort to strengthen bilateral relations with Malaysia, Romania is contemplating setting up joint venture projects to produce agro-based, wood-based, paper and pulp industries in Malaysia.

In addition, it is also exploring the possibility of purchasing raw materials such as tin and rubber direct from Malaysia rather than from third countries.

Romania will also send 14 petroleum advisers to Malaysia in the hope of setting up a Petroleum Research Institute in Malaysia.

Deputy Trade and

Industry Minister Oo Gin Sun was briefing the Press in Kuala Lumpur yesterday on his meeting with the Romanian Deputy Minister of Foreign Trade, Mr Ion Stoian, and other Romanian trade officials.

Mr Oo said that his ministry would identify the local industries which would be able to participate in proposed joint ventures with Romania.

He said Romania had expressed desire to buy tin directly from Malaysia through Malaysia Mining Corporation (MMC). Romania had been buying Malaysian tin on the London Metal

Exchange (LME).

Negotiations were now under way with MMC for the purchase of 200 tonnes of tin. Romania had earlier bought 500 tonnes of tin from Malaysia through the MMC on a trial basis.

Romania had also decided to buy natural rubber from Malaysia.

In 1981, Romania imported \$44.8 million worth of natural rubber but the amount imported declined drastically to only \$5.9 million worth in 1982. Last year there was a slight increase in Romanian imports of natural rubber at \$7.6 million.

Mr Oo said that Ma-

laysia's imports from Romania in 1982 were valued at \$12.4 million while exports were valued at \$6.1 million. Last year imports rose to \$18.5 million and Malaysia's exports were valued at \$10.8 million.

Malaysia imported polymerisation and copolymerisation products, transportation and shipping parts as well as urea.

The Romania minister suggested that Malaysian manufacturers visit Romania to see for themselves the products that country could offer to Malaysians at competitive prices.

CSO: 4200/986

MAHATHIR URGES MODERATE APPROACH ON ISMAL

Kuala Lumpur BUSINESS TIMES in English 27 Jul 84 p 3

[Text]

DATUK Seri Dr Mahathir Mohamad yesterday stressed the need for a balanced moderate approach to Islam for Muslim civilisation to achieve its destiny and a second upturn.

"A certain amount of self-criticism is a pre-requisite," the Prime Minister said when opening the *Third International Seminar on Islamic Thought* at the Asia-Pacific Development Centre (APDC) in Kuala Lumpur.

"We Muslims must learn to be honest with ourselves. We need to have a balanced approach to this world and hereafter," he said.

Dr Mahathir said in view of the changes in recent decades, it was impossible to recreate the world of the early years of Islam.

"We should reorganise our political, social and economic life in a way that fully incorporates the injunctions of Islam to ensure that a socially healthy, politically coherent and economically efficient and vigorous ummah would emerge, able to face all challenges," he said.

The Prime Minister said Islamic injunctions must be given practical content, and the implications explained in concrete terms, before they could become operational in economic or-

ganisations of Muslim countries.

He spoke of the need for a gigantic intellectual and imaginative effort involving deep insight into the objectives and scope of these injunctions and pointed out that "to retreat and withdraw from modern society is to deny that Islam is for all times".

He said if Muslims failed to operationalise injunctions with reference to contemporary reality, they would not be able to plan effectively for the future.

"This is the root cause of the present predicament of Muslims," he said and added that Muslims had not only failed to live up to Islam but also to a large extent, failed to appreciate its universality.

"We, the Muslim Ummah, have to make a conscious decision whether to remain in a constant state of tension, between living in the past and only superficially coming to terms with the contemporary world, or whether we will opt for an Islamic future, thereby redirecting ourselves to the original path of Islam," he said.

"Remember always that Islam, when it came, was a modernising force that brought greatness to the early followers of the faith; greatness in the field of economy, industry, the sciences, the

arts and military prowess," he said.

Dr Mahathir said Muslims were now in acute social, economic and political agony, yet many of them had adopted strangely a false sense of security — reading the Quran will bring them "thawab" (blessings) even if they do not understand or practise it, going out on "tabligh" (propagation) will secure the peace of paradise, writing pamphlets or propaganda sheets will win support for Islam.

"We must ensure that Islam is responsive to the immediate requirements and concerns of modern man," he said.

Understanding Islam did not only mean the capability to explain a hadith, or outline the mechanics of certain rituals or recite the verses of the Quran but also the capacity to explain and put into practice its dynamic and vibrant concepts in contemporary society, he added.

He said two great challenges facing Muslims were to recreate a living civilisation of Islam that was once dynamic and thriving, and to make a positive contribution to the predicament facing mankind.

The Prime Minister said the current trends indicated that Muslim society was heading towards an aimless future. "Unless something

is done now, this trend is likely to continue, putting Muslims in grave danger of being separated from their faith," he said.

The Muslim Ummah could not continue lying inactive like a stagnant lake — "full of potential resources yet polluted," he said.

Stressing that there was no escape from planning for the future, Dr Mahathir said a practical blueprint for implementation of Islamic system needed to be worked out taking into account the political realities of today's world.

However, planning in the Muslim countries must be more than a projection into the future of today's dominant trends. "We need to make a careful cross-impact analysis between various priorities, policies and planning and various parameters of Muslim thoughts and criteria," he said.

He urged the seminar to plan for reforming and moving Islamic thought forward in specific areas with a proper scale of priorities as a step towards achieving this planned future.

About 90 participants from 14 countries are attending the seminar organised by the institute with the cooperation of the Malaysian Ministry of Culture, Youth and Sports.

PAS ACCUSED ON KHOMEINI POSTER

Kuala Lumpur NEW STRAITS TIMES in English 22 Jul 84 p 9

[Text] A STATE Assemblyman yesterday alleged that Pas was connected with putting up posters of Iranian leader Ayatollah Khomeini and his Cabinet Ministers at the State Library building here on Wednesday.

The Assemblyman, Datuk Haji Wan Hashim Wan Ahmad, told the State Assembly that Pas must have known of the incident before hand and approved of it because most of those who attended the "seminar" on the Haj during which the posters were hung were Pas members and supporters.

He also alleged that the "seminar" was not really on the Haj but on "something else" because it was held behind closed doors.

Datuk Haji Wan Hashim (BN-Peringat) was speaking during the debate on a supplementary supply Bill for \$1,148,147.

The Khomeini posters issue was raised earlier by Bukit Panau Assemblyman, Ustaz Abdul Latiff Abdul Rahman, who regretted the incident.

Datuk Haji Wan Hashim, also chairman of the State Library Corporation, said about 80 per cent of those who attended the "seminar" were Pas members or supporters.

Candidates

They included Pas State Assemblymen, former Pas Assemblymen and former Pas election candidates, he added.

He said he rushed to the "seminar" hall on being informed of the incident at 8.30am that day and told the seminar organiser from Pustaka Bakti, a publishing firm, to bring the posters down.

"This was done but the so-called seminar was then held behind closed doors," he said.

Datuk Haji Wan Hashim pointed out that although Pas denied it had organised the "seminar", the party had also denied it had carried out the "kafir mengkafir" issue earlier but many Pas members had used it extensively.

Earlier, Ustaz Abdul Latiff said that steps should be taken to stop irresponsible elements from using Government buildings and other property for their own ends.

KHOMEINI POSTER CAMPAIGN EXPLAINED

Penang THE STAR in English 19 Jul 84 p 2

[Text] KOTA BARU, Wed.--The organiser of a controversial seminar held here on Sunday claimed today that posters of Ayatollah Khomeini had been put up to "spread Khomeini consciousness and the message that pilgrimage is the only way to liberate Jerusalem from Israel."

In a Press conference today, Encik Muhamad Abdul Rahman also maintained that "there was nothing wrong in putting up posters of Khomeini" and said that he planned to organise another such seminar next year.

Encik Muhamad, the owner of Pustaka Bakti and defeated PAS candidate in the Sungai Pinang State seat in the 1982 general elections, said that the seminar was held behind closed doors "because it was difficult to acquire a police permit to hold it in the open."

He said about 250 participants from PAS, the Malaysian Muslim Youth Movement (Abim), Muslim missionary organisations and government officers were invited to attend the seminar, which was held at the State Library.

Encik Muhamad claimed that although PAS members had been invited, the seminar had no political motivation.

He also denied that there had been discussions about the three PAS members detained under the Internal Security Act on July 10 and the Government's ban of dangerous objects that could be used as weapons.

The controversy over the seminar arose after State Religious Affairs Committee chairman Datuk Wan Hashim Wan Ahmad entered the hall and demanded that the posters of Ayatollah Khomeini be taken down.

Other posters, such as a caricature on the Iran-Iraq war and of Iran Parliamentary Speaker Ali Rafsahan Jani and Iranian Premier Hussein Musavi, were also ordered to be taken down.

Datuk Wan Hashim then informed the police of the seminar, which he said had contravened the conditions laid down in allowing it to be held at the library.

Encik Muhamad, however, alleged that the library authority had "deliberately" tried to disrupt the seminar by turning off the air-conditioning on the "ridiculous excuse" that the air-conditioner had to be serviced.

He also denied that any Iranians or Iraqis were present during the seminar.

"However, a Kuwaiti businessman who is a freind of mine had been invited to attend," he said.

Encik Muhamad also said that he had yet to be interviewed by police about the seminar.


CSO: 4200/987

ISLAMIC RESURGENCE ANALYZED

East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English Aug 84 pp 76-78

[Article by Anwar Ibrahim, minister of culture and youth]

[Text]

 The Islamic movement in Malaya has its early roots in the 17th century in the traditional role of the ulema with their various religious centres, known as pondok or psantren. Its subsequent development occurred at the beginning of the 20th century in the form of educational and social movements, also termed as islah movements, which were a direct influence of the ideas of Sayyed Jamaluddin al Afghani, Sheikh Muhammad Abduh and Rashid Redha, the forerunners of the reformist movement in the Middle East.

Although the reformist leaders in Malaya, such as Sheikh Tahir Jalaluddin, Syed Sheikh al Hadi and Haji Abbas bin Taha were fairly well known in the region their journal Al-Imam was probably one of the leading journals among the elite – their ideas did not evolve into a popular movement, unlike their counterparts in Indonesia, though they did act as a catalyst for a change in values.

Contrary to some assertions, this islah movement did not create any considerable stir among the traditional religious elite. Though questions relating to bid'ah khilafiah and furu issues and the exercise of ijtihad were brought up, it did not really develop into a widespread kaum muda (modernist) - kaum tua (traditionalist) conflict. This, of course, did not deter the British from appointing a Malay liaison officer to conduct investigations on kaum muda activities.

An attempt to initiate a popular Islamic movement in Malaysia began in 1948 when a meeting was called by the Majlis Agama Tertinggi – MATA (Highest Religion Council) – to form the Hizbus Muslimin (Hamim). Its founder, Al-Marhum Hj Abu Bakar al-Bakir, explained the aims of

Hamim were to struggle for the independence of the Malays, to strive for the establishment of an Islamic society and Darul Islam.

The British, recognising its potential influence, immediately arrested seven of Hamim's leaders in what may be considered as one of the most drastic measures taken against nationalist movements in Malaya. Despite its brief existence, Hamim remained as the first organised attempt at an Islamic political movement and its significance can be seen in the fact that most of its leaders were involved in the formation of Persekutuan Islam SeTanah Melayu (the Pan Malayan Islamic Party – PAS).

Datuk Onn bin Jaafar, the then United Malays National Organisation (UMNO) president, insinuated Hamim in what was probably the first signal of hostility against an Islamic organisation in the country by a prominent Malay leader. He had earlier cautioned UMNO members against the impending danger from the gunung (mountain), referring to Gunung Semanggol in Perak which was then MATA's headquarters.

Although Hamim was short-lived, its vibrations were widely felt. It triggered discussion on the role of Islam in the political life of the Malays such as the prolonged debates between PAS and UMNO on the role and relevance of Islam that is, whether it was to remain merely as a set of rituals or whether it should encompass the political aspects as well. But the debates did not develop into a popular polemic, as was the case in Indonesia between the Islamic groups and the religiously neutral nationalists and, contrary to the presence of different contending ideological groups

in Indonesia, the development in Malaya was not that clearly defined.

The Islamic awareness was rather profound in certain quarters, even within UMNO. In fact, in 1951 the Singapore Malay Union tabled a motion for UMNO to strive for the establishment of an Islamic state but this was defeated by the party's general assembly. Nevertheless, an accommodation was made by forming the All Malaya Ulama Association which was to rival MATA. However, in 1952, due to what was termed as UMNO's "deviations from Islamic teachings" the Ulama Association left UMNO and formed the Pan Malayan Islamic Party (PAS).

The following years saw intense rivalry between UMNO and PAS, involving personalities, contrasting ideologies and policies pertaining to Malays. Only after the shock of the bloody racial riots in May 1969 was there a serious attempt towards the merger of both parties into an UMNO-led coalition government, with PAS becoming a partner of the newly formed National Front government. But due to ideological differences and intense rivalry in mustering Malay support, PAS was dismissed from the National Front government in 1978.

The period of the 1970s witnessed the emergence of an era of Islamic revival. The rise in Islamic consciousness has also given birth to a new generation of youth which maintains the view that Islam is categorically the only positive answer to all of life's problems.

Fully committed to their views, as a matter of a living faith, a group of Muslim youths launched the Angkatan Belia Islam Malaysia or Abim (Muslim Youth Movement of Malaysia) in July 1970. The formation of Abim enables Muslim youth and students in particular to supplement the activities of the existing Islamic institutions and also to initiate wide-ranging activities for the interest of all Muslims in Malaysia and the region. Abim undertakes to present Islam as the 'Deen' which encompasses all aspects of life necessary for the realisation of Man as the vicegerent of Allah and for Man's salvation in this world and in the Hereafter. This pioneer Islamic youth movement declares one of its objectives to be "to uphold and strive for the realisation of Islamic objectives in line with the teachings of Al-Quran and As-Sunnah."

The prospect for the adoption of a comprehensive Islamic model is made much more delicate and arduous owing to the

prevailing social, economic and political realities. Demographically, the Muslims in Malaysia constitute only about 50 per cent of the total population which comprises three main racial groups, the Malays, Chinese and Indians. While the whole Malay section of the population are Muslims, the Chinese and Indians, with the exception of a minority who are Muslims, are either Buddhists, Christians or Hindus. This cosmopolitan and multi-racial character of the national populace and its almost parallel divisions in terms of religious affiliation present a unique backdrop in formulating the roles, actions and strategies of the Islamic movement.

A recurrent argument forwarded by opponents of the Islamic system is that the Islamic civil code is not relevant and appropriate to a multi-religious and multi-cultural society such as ours. According to this view, the western model is essentially the best and most suitable. What is regrettable is the fact that many ardent proponents of the idea that Islam is inconsistent with contemporary modern society are themselves professed Muslims. This perception of Islam is mainly the result of a prolonged cultural economic and political subjugation and of deep penetration into the psychological and mental matrix of a subjected and alienated people of a world view alien and anathema to its own heritage.

There is a failure of the people to free themselves from the existing models and paradigms portraying an attitude described as "the captive mind." In fact, the scepticism towards the working potentiality of Islamic economic principles is more an echo of the known colonial outlook which regards Islam as unable to ensure the progress of the Malays. Instead of studying the root cause of poverty, the colonial administrators deemed it more convenient to regard Malays as fatalistic and believing in predestination, implying that their Islamic belief is an impediment to developmental efforts.

The Malays who are the "sons of the soil" (Bumiputera) constitute the dominant force in national politics but socially and economically are still lagging far behind the other races. The precarious state of this imbalance came to the fore when racial riots took place on May 13, 1969. What followed was the formulation of a comprehensive set of inter-related national policies, the most important among them being the New Economic Policy (NEP) with its two-pronged target: to eradicate poverty regardless of race,

and to remedy the state of economic imbalance among the races. The overall and underlying objective is to bring about a united, progressive and prosperous society based on the newly-formulated national ideology called Rukunegara.

Under the NEP the basic strategy is to increase the size of the "economic cake" and to expand the Malay share and participation in commerce and industry. This is to be achieved through a massive national development programme, emphasising the growth of the industrial manufacturing sector, resources and the commodities sector as well as the agricultural sector.

However, it has become increasingly obvious that the existing economic system and development model, despite its noble aims, is basically conservative and has not succeeded in alleviating the enormous problem of poverty and social and economic inequities. A notable Malaysian economist, Professor Ungku Aziz, has stated: "My thesis is that replacing these non-Malay capitalists will not solve the economic problems of the Malays because the exploitation and the poverty will be the same." Moreover, the strong accent on competition within the so-called free economic model has the effect of further sharpening the problem of racial polarisation within the Malaysian body-politic. Racial polarisation is a negative factor in the propagation of Islam because the truth often eludes a prejudiced mind.

Despite a growing awareness of its shortcomings, the existing capitalist economic system still receives strong support from diverse segments of the society, dictated by their common need to protect and enhance their vested interests which they perceive can only be guaranteed through the perpetuation of the existing order. The non-Malay, especially the Chinese business community, feel that their opportunity and ability to enjoy the benefits of commerce will be curtailed and that Islam is injurious to their heritage and welfare. Similarly, an increasing number of Malay entrepreneurs who reap the benefits of the present policies would conscientiously work to safeguard their newly-acquired economic and social status. These forces would be strengthened with the increasing role of the multinational corporations, which regard Malaysia as a "heaven" for foreign investors.

In the Malaysian context, there appears to be an ironical relationship of mutual support between the system and the racial equation. As long as national development planning is based on racial lines, the problems of racial polarisation and economic disparities will be further aggravated.

Values which mould a cohesive community cannot be nourished without regard to moral questions. As Allama Muhammad Iqbal explains in his *Reconstruction of Religious Thought in Islam*, both nationalism and atheistic socialism, at least in the present state of human progress, must draw upon the psychological forces of hate, suspicion and resentment which tend to impoverish the soul of Man and conceal his hidden resources of spiritual energy. Neither the technique of medieval mysticism nor atheistic socialism can cure the ills of a despairing humanity.

It is only religion which in its higher manifestation is neither dogma, priesthood nor ritual which can ethically prepare modern man for the burden of shouldering the great responsibility of being God's vicegerent on Earth. It is only rising to a fresh vision of his origin and future that Man will eventually triumph over a society motivated by inhuman competition and a civilisation which has lost its spiritual unity by its inner conflict of religious and political values.

In the context of Malaysia's plural society, efforts should have been directed towards the eradication of race consciousness and chauvinistic trends which prevent the forging of a harmonious and tolerant multiracial nation. Understandings that have been reached between the communities are regarded as a quid pro quo, based on a bargain between the Malays and the non-Malays. Although this is limited in character, the consensus thus achieved must be pursued without sacrificing principles of morality and natural justice; but what is more important are the issues impinging upon justice and fairness, both in terms of each individual and each community, in all spheres of economic, political and social life.

• Anwar Ibrahim is ex-president of the Muslim Youth Movement of Malaysia (Abim) and is currently youth leader of the United Malay National Organisation, Malaysia's ruling party.

GERAKAN LEADER SEES DANGER IN BUKIT CHINA ISSUE

Kuala Lumpur NEW STRAITS TIMES in English 22 Jul 84 p 5

[Text] MALACCA, Sat.--The Gerakan national president, Datuk Dr Lim Cheng Gaik, gave a reminder today that the Bukit China issue could divide the people in the State and the nation if it is not "handled properly."

"The Government must be conscious of its responsibility to the people's morale and social customs in the matter," he added when opening the Gerakan State Liaison Assembly meeting this afternoon.

The Gerakan, he stressed, was not against development but in developing Bukit China, or any other part of the country, the Government should consider how to develop the area in the interest of the people, irrespective of race and religion.

Datuk Lim called on the Government to study the developing trend for the hill through a committee of experts and community representatives.

"This committee can then advise the Government on which part of the hill can be developed for progress and which part of it can be retained for posterity.

In Kuala Lumpur, the DAP Secretary-General, Mr Lim Kit Siang, said that a group has tried to stifle public opinion against the levelling of the Bukit China cemetery by the Malacca Government.

He said in a statement that a "syndicate" bought up all of today's newspaper editions carrying petition forms from the Cheng Hoon Teng Temple for the families of the deceased buried on the hill.

CSO: 4200/987

GOVERNMENT PLANS DRIVE AGAINST EXTREMISTS

Kuala Lumpur NEW STRAITS TIMES in English 24 Jul 84 p 1

[Text]

ALOR STAR, Mon. — The Government will launch a major offensive to counter the activities of religious extremists and to flush out the militant elements among them, Menteri Besar Datuk Seri Syed Nahar Shahabuddin said today.

"This is necessary as the situation is becoming serious," he told a Press conference, adding that this decision was made at a meeting of the State Executive Council yesterday.

Campaigns

He said the Government had to act against the extremists as their activities might lead to disturbances which would affect the security of the State.

The Government was also concerned about the deviationist teachings that the extremists

were spreading and the lies they were spreading about the Government and its leaders.

The Menteri Besar said the offensive would involve operations by the police and information campaigns by the Religious Affairs Department.

Operations rooms at the police headquarters, the Religious Affairs Department and the State Secretariat were currently monitoring the situation.

He said the latest reports indicated that the extremists were instigating their followers to be militant.

They have been urging Muslims to rebel against the present administration and to "fight" other Muslims who do not co-operate with them.

"In their leaflets the extremists cited out of context verses from the Quran to support their teachings and their activities," said the Menteri Besar.

Datuk Seri Syed Nahar said so far the extremists were only appealing to the people in the rural areas where they were even embarking on house-to-house campaigns to gain supporters for their

cause.

"Besides organising ceramahs and distributing pamphlets, these people are also distributing cassettes containing lectures by their leaders.

"The cassettes are sometimes played in taxis operated by sympathisers for the passengers."

While the information campaign by the Religious Affairs Department might be a long-term effort to counter the extremists, a short-term plan involving other Government agencies was also being contemplated.

The Menteri Besar said officers of the Government agencies would be mobilised to warn the rural people of the danger posed by the extremists.

The information campaign by officers from the Religious Affairs Department and the Government agencies would be like "antidotes" to the lies spread by the extremists, he said.

MCA CRISIS TO CONTINUE

Kuala Lumpur NEW STRAITS TIMES in English 9 Aug 84 p 4

[Text]

KUALA LUMPUR, Wed. — Hopes of an early end to the MCA crisis through an out-of-court settlement have not materialised and recent utterances by the leaders of both factions made it appear that the impasse might remain for some time.

There was some optimism that a compromise was on the cards following a statement by acting president Datuk Dr Neo Yee Pan in Johore Baru last week that he did not rule out the possibility of an out-of-court solution to end the crisis. He, however, did not disclose details.

Injunction

Datuk Neo told reporters this when he visited Johore Baru on Saturday.

Datuk Lee Kim Sai — one of the key leaders in the opposing camp led by Mr Tan Koon Swan — was also reported to have said that there were some contacts between "individuals" of the two factions.

Fuelled by these statements, speculation was rife that a solution would be found to the six-

month-old crisis that began with the alleged discovery of "phantom members" in some of the party's divisions and culminated in the expulsion of 14 party leaders, including Mr Tan, Datuk Lee and Datuk Dr Ling Liong Sik on March 19.

The 14 party leaders were later reinstated by the extraordinary general meeting (EGM) of May 6 said to have been called by 1,499 delegates to the party's general assembly.

The MCA leadership refused to recognise or implement the resolutions passed at the EGM and subsequently, the Tan Koon Swan camp filed a suit in the High Court to require the party to carry out the resolutions. The suit is awaiting trial.

The Tan Koon Swan camp has also obtained an injunction to stop elections at all levels in the MCA, including the national elections originally scheduled to be held in early July.

Hopes for an early out-of-court settlement were also raised following Prime Minister Datuk Seri Dr Mahathir's statement at last month's MIC general assembly that component parties of the Barisan Nasional should avoid taking their disputes to the courts as far as possible.

Although he did not mention any particular party, it was generally understood

that he had the MCA uppermost in his mind when he made the remark.

Following this, there was a spate of speculative stories and commentaries in the newspapers, especially the Chinese dailies, saying that a solution to the crisis was in sight. Some of the reports appeared several days before Datuk Neo made his remark in Johore Baru last week.

Probably taking the cue from Datuk Neo's statement, speculation mounted and it was even reported by some papers that a formula would be announced in one or two weeks.

Concessions

This was in spite of a statement by Mr Tan earlier this week who said that no formula had been arrived at yet and who dismissed rumours of an imminent solution.

(Mr Tan had earlier said that he was willing to make "concessions" and "sacrifices" to settle the party crisis provided that the party was cleared of all phantom members and the expelled party leaders reinstated).

Yesterday, MCA acting deputy president, Datuk Mak Hon Kam, in a statement said that the "MCA matter still remains the same".

"As we all know, the MCA matter is now in court and the position has not changed. Although the Prime Minister has advised component parties in the Barisan Nasional not to refer party disputes to the court, the MCA matter still remains.

"The MCA leadership al-

ways believe that party matters should be settled within the party machinery. We believe that in a political party, discipline must be maintained at all times and the party constitution is supreme.

"We have not been contacted by the rebels nor have we received any compromise formula. So far there have only been rumours in the Press but these are merely speculations — some of which are meant to mislead the people," he said.

"As party leaders we still maintain our basic stand that party discipline is not negotiable and basic principles in politics cannot be compromised," he added.

His statement caught some observers by surprise as earlier reports had indicated that both factions were exploring ways to find a compromise solution. The MCA leadership had not reacted to these reports.

Meanwhile, a MCA central committee member, Wong Chan Shin, has challenged Gerakan president Datuk Dr Lim Keng Yaik to declare the party's stand on Chinese unity.

He also accused Datuk Lim of being a "political chameleon".

"When he was in the MCA he advocated Chinese unity through the MCA in order to safeguard the legitimate interests of the Chinese.

"Being in the Gerakan now, he has asked the Chinese community to choose between the MCA and a multi-racial party to represent the Chinese community's interests," Mr Wong said.

CERAMAH MOVEMENT ANALYZED

Kuala Lumpur NEW STRAITS TIMES in English 9 Aug 84 p 10

[Article by Zainon Ahmad]

[Text]

PAS' information "assault programme" launched by the party after its 30th *mukhtar* (annual congress) in Alor Star in April and intensified after the detention of its three Youth leaders, has alarmed the State Governments of Kedah, Perlis, Kelantan and Terengganu.

Pas explained that its *ceramah* blitz, mainly in the four States, is aimed at focusing public attention on the party's drive towards the setting up of an Islamic State in Malaysia.

While this may be nothing more than just a stepped-up campaign by Pas to woo more people to its side in preparation for the next general election, a strategy adopted by the party to steal a start on Umno, Government leaders maintain that the way it is carried out has resulted in widespread tension in the States concerned.

Kedah has reason to be more concerned than the other States as it seems to bear the brunt of the "assault". Most of the activities are concentrated in Pendang, Kota Setar, Sala, Baling, Sik and Padang Terap.

The party is also paying special attention to the Prime Minister's constituency of Kubang Pasu where two information centres have been set up in Kampung Tok Sop and Kampung Lahar — both near Jitra.

The Kedah Menteri Be-

sar has hit out at Pas for what he called "extremist and militant activities" aimed at breaking up Muslim unity and undermining law and order.

Though Pas leaders have refuted the allegations and claimed to be only interested in its struggle to establish an Islamic State, there is no denying that it has stepped up its efforts to discredit the Government.

What is apparent and probably the reasons behind the ban on mass political gatherings in Kedah and Perlis are:

- There has been an increase in the number of *ceramahs* per night; for instance, there were 12 *ceramahs* in Kuala Terengganu alone on one night recently.

- There is an increase in the number of cassettes and pamphlets in circulation condemning the Government.

Reasons

- During the *ceramahs* and on cassette recordings, the speakers are more daring in their condemnation of Government policies such as

the Look East policy, Bank Islam and the Amanah Saham Nasional (ASN). They are more daring in their criticism of Government leaders like Datuk Seri Dr Mahathir Mohamad, Datuk Musa Hitam and Encik Anwar Ibrahim.

● After the arrests of Terengganu Youth leader Abu Bakar Chik (he is also Jeram State Assemblyman), Kelantan Youth leader Bunyamin Haji Yaakob and Penang Youth leader Mohamed Sabu early last month, many of the speakers at ceramahs have become even more daring.

For instance at a ceramah near Jitra, a top party leader told his cheering audience that "we'll continue as before and if they want to arrest us, let them. We'll see if their prisons can take in all 200,000 of us."

At a ceramah in Cherok Sendok near Baling, also about the same time, a local leader shouted "Here come the Government dogs" when he saw some policemen alighting from a Land-Rover.

● In Kedah for instance, there is talk that some party members have established a *pasukan berani mati*. Members of this select team fortify themselves spiritually by constantly reciting their creed that "Mohammad is our Prophet, he is our Leader, the Quran is our constitution, *ji'had* (holy war) is our objective and *syahid* (martyrdom) is our wish."

At a ceramah in Alor Star, a speaker when referring to this theme told his audience that they should not throw away their old parangs, cangkuls and other old farming implements as they could be turned into "bullets when the time came".

● The increasing number of Khomeini posters being displayed at ceramahs, rallies and closed-door seminars. On these occasions many people are seen wearing Khomeini T-shirts.

Laminated Khomeini pictures are also displayed in shops owned by Pas members. These

shops also act as information centres where ceramah schedules are displayed.

● At some of the ceramahs, the speakers even make such rulings as "Muslims who allow non-Muslims to represent them (in Parliament or State Assemblies) are condoning an un-Islamic act and are therefore as guilty as those who devised such a system."

Pas has denied that the party has become militant. Its deputy president Encik Fadzil Nor said: "Being Islamic based, we always speak about the religion in all our functions."

Feedback

Pas has denied many of the activities carried out by its members as part of its strategy saying that it so happened that those involved were party members. What has emerged is that the party is not responsible for what its members do in the name of Islam. Like a Terengganu party leader said: "Our means are small and we have no way of getting complete feedback on our members understanding of our policies and ceramahs. It is possible that they may have misunderstood us sometimes."

Thus the party has denied responsibility for the seminar at the Public Library Corporation Building in Kota Baru recently during which Khomeini posters were displayed, even though most of those who attended were Pas members.

It even denied responsibility for the illegal occupation of Terengganu State land near Sungai Tong last month when most of settlers, who claimed to be landless, were either Pas members or supporters. The settlers claimed they have the right to the land as it belonged to no one but God.

Could the activities denied by Pas be the work of deviationist religious groups in existence in these States? There are also the local Abim

and Arkam groups. Also *tabligh* (itinerant preachers) groups are known to be active in these States. After all, followers of these groups are known to have expressed extremist sentiments.

However, many of the followers of these groups are also known to be traditional Pas supporters.

But Pas has denied involvement with religious extremists preaching revolution and the setting up of an Iranian style Government.

Said Encik Fadzil: "Our activities will go on as usual. Being an Opposition party, we will definitely criticise Umno. They (Umno) should keep their cool rather than accuse us of being extremists."

"Religious activities are always healthy and I see nothing to support their allegations that we are splitting Malay unity."

A former party leader said that what Pas was doing was merely to capture the minds of the people with their "apparent" struggle for an Islamic State in preparation for the general election which must be held in 1987.

The party, he said, fears the Government policy on Islamisation was succeeding and if they had nothing to say on the matter, it may be completely wiped out come 1987.

He said that its promotion of the Islamic State concept is but a cover, apparent from efforts by party cadres to highlight the apparent splits in Umno at national as well as at State and divisional levels.

Thus their ceramah assault is nothing more than just "mere electioneering", he said.

Since April, the party has organised numerous ceramahs, rallies and *ijtimak* (symposiums), the last being the one on Friday in Jitra, in the four States.

Most of them feature the party's top leaders as the main speakers, among whom include En-

cik Fadzil (he is also Kedah Pas commissioner) and vice-president and Terengganu commissioner Haji Hadi Awang.

While Encik Fadzil and Haji Hadi are popular in the Kedah, Perlis, Kelantan and Terengganu (and elsewhere), each State has its own local "crowd pullers". For instance in Kelantan, State commissioner Haji Nik Aziz Nik Mat's Friday *ceramahs* are well attended.

While most of the *ijtimak* and seminars are exclusively for Pas members and "invited guests" and held behind closed doors, the *ceramahs* (according to Encik Fadzil "held to explain religious issues") are open to all.

These *ceramahs* have developed into public rallies (banned since 1969) reminiscent of those illegally organised during the Selising and Kemin by-elections in Kelantan last year.

For instance, in a *ceramah* in Pendang last month, the speakers spoke from inside a full house but loud speakers were placed outside for the benefit of about a thousand in the compound.

Similarly organised were the "*ceramahs*" near Jitra in Kedah, Kijang in Kelantan and Kubang Parit near Kuala Terengganu at the end of last month.

Police permits are seldom obtained for these gatherings as none are required for *ceramahs* held indoors. The organisers merely

shrugged their shoulders when asked to explain the thousands outside and the buses parked nearby to take them home.

"We are not responsible for those outside even though we cannot ask them to go away. What? The loudspeakers? Oh, we have to instal them otherwise they might wreck the house in their rush forward to hear what the speakers were saying."

A party official in Kedah said that the police seldom bothered "us as we are seldom unruly."

He said what they did was to inform the police only about two or three hours before the rally. He said he knew all the police officers in his area and they are his friends.

He would call the police, usually a senior officer, and say: "I am holding a *ceramah* in about two hours. Whether you allow it or otherwise, we are going ahead with it. You are welcome to arrest us if you want to."

He chuckled and said: "You see, these officers won't take any action against us. They see no point in doing so."

A senior police officer said there was no point in taking action if the gathering, in his opinion, did not threaten security or public order.

"We do not want to break up a *ceramah* session just because it has developed into a mass rally. Attempts to break it up may cause a stampede which may result in people getting injured or

even trampled to death.

"Should that happen, how do we justify our actions to our superiors and more important, our conscience?"

However, police are usually present at the rallies to ensure they are trouble-free. For instance, incidents such as the smashing of a windscreen of a car belonging to one of those attending a "*ceramah*" were not publicised for fear of retaliation by "someone somewhere."

Besides these rallies or "*ceramahs*" (usually organised near towns to ensure large attendance), mini *ceramahs* and *usrah* (discussion) sessions were also used as part of the party "information assault programme" to ensure that the "messages" reach people at the grassroots.

House-to-house mini *ceramah* sessions are organised in isolated *kampungs*. The speakers are usually local party leaders or itinerant party functionaries who had received "instructions" at the seminars or symposiums.

But the most popular and cheapest, and probably the most effective medium, is the cassettes of lectures by prominent party leaders.

Even if mass gatherings have been banned in Kedah and Perlis, "religious lectures" by prominent and popular party leaders can still reach Pas members, supporters and sympathisers.

FEARS VOICED ON TRADE DEFICIT WITH JAPAN

Kuala Lumpur BUSINESS TIMES in English 23 Jul 84 pp 1, 24

[Article by Hardev Kaur]

[Text]

MALAYSIA'S trade imbalance with Japan is "now chronic and threatens to widen even further" unless positive solutions are found. Malaysia's trade deficit with Japan — excluding crude oil and gas exports — rose from US\$775 million (M\$1.78 billion) in 1980 to US\$2 billion (M\$4.6 billion) in 1983.

The deficit trend is compounded by the increasing deficit in the invisibles account due mainly to the large number of infrastructure projects contracted out by the public sector to Japan. In view of this, the two major items under invisibles trade, freight and insurance, and contract and professional charges, are projected to widen further.

In 1982, invisibles trade accounted for 13 per cent or US\$379 million (M\$871 million) of the trade deficit. By 1983, this rose to US\$400 million (M\$920 million).

Japan was the largest recipient of contract and professional charges from Malaysia, accounting for 28 per cent of Malaysia's total payments in this category last year.

With the increasing tempo of Malaysia's development and emphasis on manufacturing, this trend was expected to increase and the deficit in invisibles was forecast to rise to US\$594 million (M\$1.36 billion) by 1985, compared with US\$313

million (M\$719 million) in 1981.

Dr Ian Chia, president of International Business Corporation Malaysia, told a gathering in Kobe, Japan, over the weekend that in 1982, freight and insurance deficit with Japan constituted 45 per cent of Malaysia's total deficit in the item. In absolute terms, this accounted for US\$325 million (M\$747 million), of which 90 per cent was in freight charges alone.

Dr Chia, delivering a paper on *Problems and Prospects of Bilateral Trade and Investment between Japan and Malaysia*, said that in the last five years, of the 12 major projects costing about US\$4 billion (M\$9.2 billion), over 50 per cent were awarded to Japanese firms or Japanese lead consortia.

They include the LNG plant at Bintulu, the fertiliser plant in Bintulu, the gas processing plant in Terengganu and its pipelines and export facilities, the Sabah methanol plant, the Sabah power plant, the Bintulu Port, the Terengganu refinery, the Kemaman Port, the Paka power plant and the Terengganu crude oil terminal.

Also, as a result of Malaysia's Look East policy, Japanese involvement in industries have been estimated to be worth about US\$2 billion (M\$4.6 billion).

The business benefits

and other concomitant spin-offs would include the transfer of technology, on-site training and manpower for Malaysian workers, use of local materials, equal participation of local consultants, professionals and subcontractors.

Dr Chia said to achieve a mutually beneficial climate for investments in Malaysia and export of Malaysian products to Japan, there must be constant dialogue between the government and the private sector, particularly with Japanese businessmen and Malaysian exporters.

Malaysia has embarked on a programme to facilitate and improve its services for implementing investment projects. Among them were the acceleration in the improvement of infrastructure, particularly in telecommunication and transport, the development of skilled workers through training programmes in Japan and the guarantee of investment in Malaysia.

Dr Chia hoped Japanese firms and the Japanese government would sincerely facilitate the transfer of knowhow, technology, and skills on

the rationale the transfer of such skills would bring about greater benefits to Japanese investors in their investments in Malaysia and create goodwill among Malaysian partners.

"It is also of benefit to Japanese businessmen and government or semi-government agencies to assist Malaysian exporters in penetrating the Japanese market and expanding the volume of manufactured goods to Japan," he added.

Although some effort had been made to remove tariff and non-tariff barriers, much still needed to be done by Japan to hasten the process.

The future of bilateral trade and investments between Malaysia and Japan was most encouraging. The close rapport between governments, particularly in the Look East policy and the growing involvement of private businesses, tend to intensify the economic development of the two countries.

"With conscientious efforts, both countries can make good any discriminatory practices or policies that have caused sufferance to one party or other," he added.

WEST SCORED ON SERVICES TRADE

Kuala Lumpur BUSINESS TIMES in English 18 Jul 84 pp 1, 24

[Text]

INDUSTRIAL countries were taken to task yesterday for paying "lip-service" to the numerous calls to liberalise trade in services. The chairman of the Council on Malaysian Invisible Trade, Tun Ismail Ali, said countries like the United Kingdom, which have long experience in the service trade, should respond positively to these calls.

Speaking at the two-day seminar on Malaysian-British invisible trade in Kuala Lumpur yesterday he added these countries should set the example "by deed rather than by words".

"These countries should open up their services sectors to foreign competition, not only in furtherance of free trade, but also because of the risk that inaction could leave the evolution of the service industries without a framework of internationally agreed rules that could act as a bulwark against protectionism, bilateralism and unfair competition," he said.

The seminar is jointly organised by the Council on Malaysian Invisible Trade and the United Kingdom Committee on Invisible Exports.

Tun Ismail noted that international trade in services had been growing in importance in recent years. International trade in services has been estimated to have increased at an average annual rate of 19 per cent from 1970 to total US\$350 billion by 1980.

There was a need, therefore, to liberalise trade in services for the mutual benefit of both countries which have long been in the invisibles trade and the countries which have just begun to diversify into services industries.

Tun Ismail told his audience that given the vast British merchant fleet and its large pool of shipping expertise as well as excess of cargo space, there would be benefits from establishing Malaysian-based joint venture shipping companies.

Malaysia, he said was determined to change the present practice of exporting mainly on an fob basis and importing on cif by developing the country's shipping capacity and increasing the efficiency and capability of Malaysian port and airline facilities.

"The Malaysian government is committed to building up a strong national fleet. We will go for this alone if necessary," Tun Ismail told his audience comprising business leaders, including bankers and those from the securities industry.

The country was in favour of joint ventures. "Whatever the outcome, he said, "we are determined to contain, and later reduce, the large deficit on Malaysia's freight account."

The first priority, however, was to import substitute the large annual bill on freight payments abroad. With new shipping capacity, the

country would be in a position to export shipping services to earn foreign exchange.

Tun Ismail said the objective was to build a strong national shipping fleet, with new capability to carry more Malaysian cargo in Malaysian ships. There were also good prospects in the carriage of third country cargo.

Presently Malaysia's shipping fleet carries less than 20 per cent of its international trade. Therefore, the scope in the development of shipping in Malaysia was significant.

"We invite the British shipping industry to join us with your experience, expertise and capital to tap the vast freight market. Malaysia's own annual trade volume would rise to about \$100 billion by 1987. With Asean this potential is significantly larger," Tun Ismail said.

In his presentation, Tun Ismail also touched on investment income payments which, he said, was the most important deficit item in the services account, followed by travel which included

payments for education and maintenance of Malaysian students abroad.

In recent years, the direct investment of British in Malaysia, as a result of Malaysianisation in plantations, mining and international trading had led to a noticeable reduction of such investment income payments.

These have, however, been offset by rising interest payments as a result of increased public and private borrowing from financial institutions based in the United Kingdom.

Malaysia's investment income deficit with the UK last year has been estimated to be \$548 million, travel deficit \$372 million, freight and insurance deficit \$97 million and other services deficit \$177 million.

Tun Ismail noted that while the visible trade between Malaysia and the UK had stagnated at around \$2 billion, Malaysia's trade deficit with UK had narrowed to \$200 million in 1983 from nearly \$500 million in 1980.

The composition of exports and imports had not shown much change.

CSO: 4200/986

MCA PRESSURED TO SETTLE CRISIS

Penang THE STAR in English 26 Jul 84 p 6

[Article by N. V. Raman]

[Text]

KUALA LUMPUR, Wed. — Recent remarks by Prime Minister and Barisan Nasional chairman Datuk Seri Dr Mahathir Mohamad have put increasing pressure on the MCA's rival factions to work out a compromise and solve the party's internal crisis.

Dr Mahathir made it clear on Saturday that he wanted a political solution and would prefer that the issue be solved from within the party rather than by the courts, to which expelled vice-president Tan Koon Swan's faction has referred the case.

The Prime Minister also made it clear that in any political party, the interests of the party must override those of the individual, and that the party constitution must be adhered to.

Dr Mahathir, in urging a political solution to the MCA crisis, appears to agree with former MCA chief Datuk Lee San Choon, who failed in his mediation efforts.

But their methods differ.

While Datuk Lee offered an "all or nothing" package deal, the Prime Minister is tackling every issue separately.

The MCA leadership, led by party acting president Datuk Dr Neo Yee Pan, and Mr Tan have both been aware for some time now of the Prime Minister's feelings that a solution has to be found soon.

While initially reluctant to step in to mediate in the crisis for fear that it would be seen as intervention by one Barisan party in the affairs of another, Dr Mahathir, who is also Umno president, has lately been conducting behind-the-

scenes discussions with both Dr Neo and Mr Tan.

He is said to be concerned that the MCA crisis could cause disarray in Barisan ranks and make the Barisan a laughing stock, which does not bode well for its hopes of retaining its present control of Parliament and States in the next general election.

The issue has taken on added importance as Dr Mahathir is said to be planning a snap poll in 1986 instead of serving out the present Government's term, which expires in April 1987.

His fears have come true at least in the Malacca State Assembly, where MCA Assemblymen from the two rival factions have each been speaking "on behalf of the MCA" and presenting at times diametrically opposite views on the Bukit Chin issue.

It is understood that Umno vice-president Encik Ghafar Baba, new Finance Minister and Umno treasurer Encik Daim Zainuddin and Trade and Industry Minister Tengku Razaleigh Hamzah, among others, have also urged Dr Mahathir to step in and find a solution to the MCA crisis.

They have pointed out that MCA disunity could affect the Barisan's chances of winning marginal seats in States such as Kedah, Terengganu and Kelantan, where PAS is expected to mount all-out campaigns against Umno.

The Prime Minister himself had been deeply worried about the crisis and had been meeting both sides, even at the height of the split in March, and keeping track of events al-

though he had made it clear then that he could not involve himself directly.

He also had at least two discussions with Datuk Lee during the latter's mediation bid.

But Dr Mahathir's hopes that the rival MCA factions could work out a compromise solution within the party evaporated when Mr Tan's supporters took the issue to court, where it has remained until now as a trial date has yet to be set.

Mr Tan's supporters had hoped for a quick legal solution but it now appears that even if the case is tried, it could drag on for several months since the legal issues involved are complex.

Dr Mahathir, in a reflection of his concern, had stepped up his efforts to bring the warring factions together last month and his public remarks in opening the MIC general assembly on Saturday have been interpreted as a message to the MCA to "get on with it and find a solution fast."

Sources said that Dr Mahathir had met Dr Neo in his office on June 28 to discuss the possibility of working out a compromise.

They said that Dr Neo agreed that a political solution would be preferable, but stressed that it should contain his essential point that politics and business should be kept separate.

On July 4, Dr Mahathir met Mr Tan for about an hour in his office. Mr Tan appeared amenable to a political solution — which would mean withdrawing the cases filed in court by his supporters — but maintained that it should cover his basic points.

Mr Tan stressed that the phantom member issue should be resolved, preferably by an independent committee checking the party's membership list, and that the 14 MCA members expelled from the party in March, including himself, should be reinstated.

When Dr Mahathir met Dr Neo again on July 9, the discussions centred on finding a workable compromise. The Prime Minister also told Dr Neo of Mr Tan's amenability to a political solution, and of what he thought was a commitment from Mr Tan to withdraw the court cases if his conditions for a settlement were met.

The sources said that Dr Neo agreed with the Prime Minister that the phantom member issue should be resolved and restated his commitment to cleaning up the party's membership list.

Dr Mahathir, the sources said, then proposed that an ad-hoc committee comprising senior Barisan members and headed by Barisan secretary-general and Umno vice-president Encik Ghafar Baba could be set up to go through the MCA's membership list.

However, Dr Neo felt that this would not be proper because of the sensitivities involved and the precedent that would be set if leaders of some Barisan component parties directly involved themselves in the affairs of another component party.

Dr Neo then suggested that instead of politicians being involved, the membership list — and Mr Tan's own list — could be submitted to the Registrar of Societies to scrutinise and weed out the phantom members.

Such a procedure would also avoid controversy over political sensitivities.

Dr Mahathir appeared to be willing to consider the suggestion. As to the reinstatement of the expelled members, Dr Neo said that this could be done but the details would have to be worked out by the party's central committee.

Later that week, Dr Mahathir met Mr Tan to convey Dr Neo's views and continue their discussions on finding a solution.

It was after this meeting that the controversy over whether or not Mr Tan would continue in politics became public.

By this time, several Chinese newspapers had printed stories saying that a compromise solution had been worked out and that the suits would be withdrawn.

Reports also began to appear saying that Mr Tan

had agreed to give up politics and concentrate on business.

The reports put Mr Tan in a spot. Many of his supporters were against any compromise and felt that the matter should be left to the courts.

They also felt that in agreeing to a political solution, Mr Tan would be leaving them in the lurch. Mr Tan then publicly denied that he was quitting politics or that he had bargained away his chips.

The sources said that Dr Mahathir, however, had been under the impression that he had a commitment from Mr Tan that the court cases would be withdrawn.

They said that the Prime Minister had also urged Mr Tan, who is managing director of Multi-Purpose Holdings Bhd, to choose between a full-time political career or a business career.

The sources said that Mr Tan then made it clear to the Prime Minister that should he decide to stay out of politics, his supporters in the party should not be victimised.

He also appeared to agree that the phantom member issue should be resolved by having the Registrar going through both the master list submitted by the MCA headquarters and his own list.

But if the Prime Minister felt that he had achieved some progress in his efforts to settle the issue, the story circulating among MCA ranks was something else.

Dr Neo's supporters were under the impression that a settlement had been found and that it was now just a matter of time. They also believed that Mr Tan had decided to stay out of politics and agreed to "call off his Multi-Purpose boys" and leave politics to the politicians.

Mr Tan's supporters, on the other hand, believed that Dr Neo "was being obstructionist and had rejected the compromises that had been offered and refused to agree to any solution that would enable Mr Tan to challenge for the party presidency."

They were under the impression that the issue would still have to be settled by the courts and that Mr Tan's lawyers were pushing for the trial to begin either next month or in September.

Given these contrasting stories that are circulating among MCA members — and which obviously have come to the ears of the Prime Minister — Dr Mahathir apparently felt he had to make some public comments, even if only indirectly, on the issue.

LEGISLATION ON RELIGIOUS CASSETTES SOON

Kuala Lumpur NEW STRAITS TIMES in English 21 Jul 84 p 1

[Text]

KUALA LUMPUR, Fri. — The Government will be introducing legislation to exercise control over the sale, distribution and possession of religious cassettes and tapes.

Deputy Home Affairs Minister Encik Radzi Sheikh Ahmad said here today that preparations are under way to enact legislation.

He said there is a need to filter cassettes and tapes containing religious lectures before they are distributed to the public.

He added that at the moment there are no provisions under the law to do this, resulting in all kinds of religious cassettes, some of which contain messages which can undermine the security of the nation, being distributed.

The new law will give the authorities powers to carry out checks to prevent the distribution of such tapes, he said in the Dewan Rakyat when replying to a supplementary question from Encik Hassan Haji Mohamad (Hamim-Rantau Panjang).

Encik Radzi said the Federal authorities are unable to check the distribution of religious tapes, including those containing Quranic verses, as religion came under State authorities.

"The new law will make it compulsory for all tapes including those containing verses from the Quran to be checked by the authorities before they are distributed to the public," he said.

Later, speaking to reporters outside the House, the Deputy Minister dismissed speculation that religious extremists are getting bolder in carrying out their activities.

"Perhaps they are just testing the new Government:

"Anyway, everything is under control and there is no cause for the people to panic," he said.

"We have been receiving reports on their activities and we are monitoring their movements very closely."

He was commenting on the activities of a group of religious extremists who were reported to have launched an Iranian-style campaign in Kedah against the Rulers and the Government and other such groups in other States, including Kelantan and Terengganu.

Arrests

"We are keeping tabs on them. If anyone has to be taken to court, we will do so.

"This has been proven by the recent arrests of four persons, three of them Pas leaders and a former religious teacher."

Last Tuesday, three Pas leaders — the State Assemblyman for Jeram, Abu Bakar Chik, Mohamad Sabu and Buniyamin Haji Yaacob — were detained under the Internal Security Act for activities which posed a threat to the security of the nation.

The following day the Government issued a ban on weapons such as parangs.

Two days ago, a former religious teacher, Ghazali Hasbullah, was also detained under the ISA for indulging in similar activities.

MUSLIMS ADVISED ON CONVERTING NON-MUSLIMS

Kuala Lumpur NEW STRAITS TIMES in English 21 Jul 84 p 9

[Text]

KUANTAN, Fri. — Spreading Islam among the Orang Asli community is not only the responsibility of the Government and related agencies but also of all Muslims, Menteri Besar Datuk Najib Tun Abdul Razak said today.

Datuk Najib stressed that Islamic missionaries involved in converting the Orang Asli should adopt a gentle approach while attempting to woo them into the fold of Islam.

"Only by giving the right advice and adopting the gentle approach will the Orang Asli be convinced and become true converts following the genuine teachings of Islam," he said at the opening a four-day course on the understanding of Islam for Orang Asli converts from Pahang.

Programmes

He said the course was appropriate as it would instil a proper and deep understanding of the religion in the participants.

Datuk Najib added that of the 22,000 Orang Asli in the State only 350 had been registered as converts. "This number is inordinately small when compared with the total population."

He explained that many of the Orang Asli still believed in animism. The task of missionaries was great as they had to convince them in the true teachings of Islam.

Earlier, Pahang religious department head Haji Abu Kassim Mat Saman expressed his satisfaction that more than the expected number of Orang Asli had turned up for the course.

He hoped that the participants, numbering 46, would be able to spread the religion when they returned to their kampungs.

He also called on the Orang Asli to listen to religious programmes on the radio and watch similar ones on TV and not merely to entertainment programmes.

The course is the second to be held for the Orang Asli. The first was held last December.

CSO: 4200/986

RELIGIOUS EXTREMISTS INTENSIFY ACTIVITY

Penang THE STAR in English 24 Jul 84 p 6

[Text] ALOR STAR, Mon.--Religious extremists in Kedah have intensified their anti-government activities with house-to-house campaigns, sale of anti-national cassettes and distribution of pamphlets.

Mentri Besar Datuk Seri Syed Nahar Shahabuddin said here today the militant extremists were going all out to incite conflict among Muslims.

"They are becoming more and more dangerous and detrimental to the peace and security of the State and country," he told reporters at Wisma Negri.

He said: "A special session of the State Executive Council was called yesterday to study the latest tactics of the extremists and we discovered that they were distributing new pamphlets, all condemning the establishment.

"They even go to the extent of distorting verses from the Quran to mislead the people and incite the rural folk to oppose non-sympathisers."

Datuk Seri Nahar, who is also State Security Committee chairman, said the house-to-house campaigns were being carried out throughout the State, especially in Padang Terap, Pendang, Jerlun and Kubang Pasu.

He said that some of their sympathisers who were taxi drivers had also been playing anti-government cassettes to passengers.

"Such activities, if unchecked, would adversely affect government development efforts, especially in trying to open up rural areas," he added.

The Mentri Besar also said that a Special Operations Secretariat had been set up in relevant departments and all information would be channelled to the secretariat.

Datuk Seri Nahar said the extremists were politically motivated and that some PAS members had been found to be involved.

"In fact, the three PAS members arrested recently under the ISA had visited Kedah and were involved in extremist activities," he said.

He added that plans had been drawn up to counter the extremists before they could split the Muslim community.

EDITORIAL ON RELIGIOUS EXTREMISTS

Kuala Lumpur NEW STRAITS TIMES in English 9 Aug 84 p 10

[Editorial]

[Text] In the name of peace and security, all political gatherings have been banned in Kedah and Perlis. This action has been intended as a fire-blanket to smother the embers of religious separatism being vigorously fanned by Pas in two of its strongholds. Nobody in a democratic society can welcome such drastic action. It still remains for the Government to spell out clearly the extent of the threat from such religious activities, to demonstrate how democratic freedoms are being used to destroy the democratic order itself.

The declaration of the ban has been engineered in such a manner as to send an unmistakable signal to Pas that the ideological rifts that party is driving into the hearts of the Malays in the nation's poorest States can no longer be tolerated; especially when the carte-blanche to spread doctrines of religious extremism is claimed beneath the mantle of democracy — a hal-
lowed but still hollow hypocrisy.

However, having now dispensed with the kid gloves of proper political procedure in so portentous a manner, having imposed a ban guaranteed to once again bring into public contention the limits of political freedom in this country, are we now to be faced with the graceless spectre of official backpedalling that accompanies a grave decision already taken? Last Monday, Kedah/Perlis CID chief Harun Ismail announced the ban as being "necessitated by the nature of political gatherings organised by Pas in the two States". The very next day, Supt. Harun issued a clarification that the order was merely to prevent crowds spilling onto roads and thus obstructing traffic. If disorderly crowds were the main problem, do not the means already exist to deal with them? Is it necessary to declare a ban on all political gatherings purely for the sake of eliminating traffic congestion? Such obvious window-dressing not only demeans the gravity of the situation, it also obstructs the understanding of the true rea-

sons behind a decision which, on the face of things, runs contrary to the ideals of political freedom.

The nature of Pas' ongoing campaign for power amongst the poorest quarters of the Malay community has attained a level of insidiousness far beyond the bounds of political prudence and public acceptability. The dangers inherent in the Pas-inspired divisions of the Malays are very real and most threatening to the stability of the rural community. In being aware of these dangers, however, the adoption of such measures as an indiscriminate ban on political assemblies might backfire seriously, in providing even more evidence of "unjustifiable" restrictions for the Opposition to distort to their own ends. A move such as this — no matter the subsequent disclaimers and dilutions of intent — can so easily be construed as official manipulation of the democratic right to voice dissent. Amid the emotion that is likely to be whipped up as a result, there promises to be little attention paid to the perversions of that very democracy perpetrated by those who would use religious and racial disunity as a weapon of political power.

This is the real danger posed by the ban. Forbidding the public assembly of political parties is no guarantee that the machinery of these parties will grind to a halt. The ban may well have the effect of driving the anti-national ideologies of extremism underground, where their spread will persist unabated, but even further beyond official scrutiny and secure from national public debate. Is this to be preferred over the open platform, upon which the arguments of fanaticism can be as openly rebutted? Or is there more comfort to be derived from the spurious security of an outward calm which yet belies the presence beneath of the "cancerous growth" alluded to by Encik Radzi Sheikh Ahmad; unseen perhaps, but nonetheless deadly virulent?

PAS USING YOUTHS TO CREATE DISSENSION

Kuching THE BORNEO POST in English 31 Jul 84 p 3

[Text] TANAH MERAH, Mon:-PAS is using youths selling vegetables and sundry goods in land schemes to instigate the settlers into rising up against the government in the name of the jihad (holy war).

Parliamentary Secretary of the Land and Regional Development Ministry Haji Dusuki Ahmad said the uprising would be fought with "special swords" provided by PAS.

Speaking at the first anniversary celebrations of the Kemahan UMNO branch near here, he said PAS leaders were making rounds of kampungs to malign the UMNO top leadership and spread lies to cause unrest among the villagers.

He said PAS, which claimed to be a freedom fighter, was sowing disunity and animosity among Muslims solely to return to power in Kelantan.

He urged UMNO branches to mobilize their resources and counter the PAS action.

Meanwhile, Kelantan UMNO Youth head Encik Hashim Safin pledged firm support for Menteri Besar Datuk Haji Mohamed Yaacob in facing the threat by PAS.

He said PAS had failed to convince the people that it was the Islamic party they wanted and was now trying to fire up their spirit by using the call to jihad.

Encik Hashim, who is the Menteri Besar's Political Secretary, said PAS supporters were being made use of by the party's leaders who were so obsessed with becoming elected representatives that they were willing to organize bloodshed to achieve this aim.

He said UMNO members must explain to these supporters that intra-community war has espoused by PAS leaders was madness.

CSO: 4200/988

IRANIAN STYLE GROUP TROUBLEMAKERS: TUNKU

Penang THE STAR in English 5 Aug 84 p 3

[Text]

KUALA LUMPUR, Sat.— A group of Iranian-styled revolutionaries in Kedah are out to create trouble and discredit the Government in an attempt to spark off an Islamic revolution in the country, Tunku Abdul Rahman said today.

The former Prime Minister said the group was disruptive and wanted to impose its views on all Malaysians.

"Malaysia can do without this kind of a revolution which saw thousands of people killed. We must remember that there are peo-

ple of other races and religions living in our country," he told the annual general meeting of the women's wing of Perkim.

The Tunku reminded the delegates that Muslims in Malaysia belonged to the Sunni sect whereas those in Iran belong to the Shi'ites.

Because of this fundamental difference, their values were unacceptable to Muslims in the country, he said.

"Perkim must take the challenge from these so-called revolutionaries and propagate the correct

teaching of the Prophet," he said.

"Perkim will find it easier to counter this threat than would the Government.

"Any move by the Government against this group would immediately be labelled as repressive political steps.

"But the group can never level the same charges against Perkim," he added.

The Tunku also called on Perkim women members to continue their good work in aiding the aged, the handicapped and others in society who needed such help.

CSO: 4200/988

INDUSTRIAL OUTPUT UP IN MARCH

Kuala Lumpur BUSINESS TIMES in English 18 Jul 84 pp 1, 24

[Text]

PENINSULAR Malaysia's industrial production for March increased 15.3 per cent to 133.2 compared with the previous month.

According to the latest statistics issued by the Statistics Department, the index for manufacturing rose 23.2 per cent to 125.4, that for mining 3.9 per cent to 151.4 and that for electricity 10.5 per cent to 122.7.

In the manufacturing sector, all the 16 major groups of industries reported higher production in the month under review as compared to the previous month.

Significant increases of more than 30 per cent were shown in wearing apparel except footwear (44.6 per cent), non-metallic mineral product (39.6 per cent), transport equipment (38.4 per cent), beverage industries (33.6 per cent), fabricated metal products except machinery equipment (32.4 per cent) and food manufacturing (30.3 per cent).

At the industry level, increases of more than 50 per cent were registered in fish, crustacea and similar foods (89.8 per cent), plywood, hardboard and particle board (78.1 per cent), motor vehicles bodies (73.8 per cent), hydraulic cement (56.8 per cent) and radios and television sets (54.1 per cent).

In the mining sector, a total of 3,199 tonnes of tin-in-concentrates was produced in March. This was a marginal increase of 65

tonnes when compared to February.

The report added that the cumulative production of tin-in-concentrates for the first three months this year was 10,195 tonnes, two per cent lower than in the same period of 1983.

The volume of electricity generated for March was 99.16 million kilowatt hours, an increase of 18 per cent over that generated in February.

The cumulative volume of electricity generated during the first quarter of the current year was 2,782.4 million kilowatt hours. This was six per cent higher than that generated in the same period of 1983.

The report also said that sales of own manufactured products for March for all establishments covered was \$2,520 million, an increase of \$470 million or 23 per cent over the value of sales for February.

It added that the total number of paid employees in the manufacturing sector as at the end of March was 335,188 workers, some 5,429 workers more than in the previous month.

The larger part of this employment was accounted for by the following industries — spinning, weaving and finishing textiles (six per cent), clothing factories (seven per cent) and semiconductors and other electric components (21 per cent).

RACIAL RIFTS AFFECT CIVIL SERVICE

Penang THE STAR in English 29 Jul 84 p 1

[Text]

KUALA LUMPUR, Sat. — There is a growing sense of alienation based on ethnic lines among government officials, Finance Ministry Deputy Secretary-General Datuk R.V. Navaratnam said today.

"Strong perceptions prevail that equal treatment is not given to all civil servants, regardless of race," he told a seminar on the changing role of the Administrative and Diplomatic Service (PTD) at Intan here.

"This alienation is felt in areas of promotion prospects and postings to key positions, training opportunities and areas of work.

"Many of our colleagues ask why they are not entrusted with more important responsibilities."

Datuk Navaratnam said that while the validity of such perceptions could be questioned, there was a need to examine the cause of how this came about in certain sectors of the public service.

He suggested three ways of resolving such problems of ethnic alienation. These were:

- To take the matter seriously and implement an internal examination of the problems to prevent further deterioration in morale, self-confidence and a sense of belonging among the officials;

- Getting civil servants to become more conscious to the sensitivities and aspirations of their colleagues in the nation's multi-racial society "so that we will all use the same standard of judgment in assessing our colleague's performance and prospects for promotion;" and

- Ensuring that civil servants help to influence policy to ensure that the PTD and civil service will become more representative and balanced in terms of its ethnic composition.

The seminar was opened earlier by Secretary to the Government, Tan Sri Sallehuddin Mohamed.

CSO: 4200/987

BRIEFS

NAVY PATROL VESSELS--KUALA LUMPUR, Thurs.--The Royal Malaysian Navy (RMN) is expected to have two offshore patrol vessels next year. The two vessels are being built on a joint venture basis between the South Korean Shipbuilding and Engineering Corporation (KSEC) and the Malaysia Shipyard Engineering (MSE). One is being built at Pusan, S. Korea, and the other in Johore. Construction of the vessel at Pusan was launched by the Public Enterprises Minister Datin Paduka Rafidah Aziz today. In her speech released here, Datin Paduka Rafidah said Malaysia had a common interest in safeguarding the freedom of passage in the seas around her and in maintaining regional peace and stability. "Efficient and reliable offshore patrol vessels therefore have a vital role to play in this respect and it is with this task of maintaining peace and the protection of our maritime interests and resources that the RMN have embarked on the acquisition of such vessels." [Text] [Kuala Lumpur NEW STRAITS TIMES in English 20 Jul 84 p 7]

TRADE WITH COMMUNIST BLOC REPORTED--TOTAL trade between Malaysia and nine communist countries reached \$1.242bil in 1983, the Dewan Rakyat was told yesterday. Replying to a question from Mr Fung Ket Wing (DAP-Sandakan), Encik Kadir Sheikh Fadzir, Deputy Minister for Foreign Affairs said that Malaysia had trade relations with over 20 communist countries. Two-way trade was being encouraged. However, Malaysia did not recognise illegal regimes set up with the backing of foreign armies as in the case of Kampuchea and Afghanistan. The Government did not encourage free interaction with the people of China because of its continued support for the Communist Party of Malaya. He also explained that Malaysia had diplomatic relations with the Republic of Cuba but no embassy had been set up there. [Text] [Kuala Lumpur NEW STRAITS TIMES in English 21 Jul 84 p 8]

CSO: 4200/986

COALITION GOVERNMENT FOR COOK ISLANDS

Christchurch THE PRESS in English 6 Aug 84 p 2

[Text]

NZPA Rarotonga
The Cook Islands
Premier, Sir Thomas Davis,
and the Opposition leader,
Mr Geoffrey Henry, an-
nounced on Saturday even-
ing that they will form a
coalition to govern the
island group.

They said in a joint radio
broadcast that the Cabinet
would comprise four mem-
bers of Sir Thomas's Demo-
cratic Party and three of
Mr Henry's Cook Islands
Party.

The two men said in the
broadcast that the move
was being taken to maintain
stability.

The Democratic Party
won the General Election,
13 seats to 11, last Novem-

ber, but Mr Vincent Ingram,
a leading figure in the
party, was not included in
Sir Thomas's Cabinet.

Mr Ingram was not men-
tioned in the broadcast but
he is seen as the key reason
behind the coalition move.

Three weeks ago a con-
vention of party members
sought without success to
have Mr Ingram included in
the Cabinet.

The Government feared
Mr Ingram might not sup-
port the Budget due on
August 16, and Sir Thomas
has apparently headed off
this threat.

He and Mr Henry met on
Saturday and agreed to
form the coalition.

CSO: 4200/991

PROVINCIAL COMMENTARIES REPORT BATASAN ATTACK ON VIRATA

Tumult at Batasan

Cebu City VISAYAN HERALD in English 2 Aug 84 pp 3, 10

[Commentary by Mariano M. Florido, former CFI Judge, in the "From the Center " column: "Why the Tumult at the Batasan"]

[Text] The reelection of Cesar E.A. Virata at the Batasan two days ago as Prime Minister for a second term was marked by a tumultuous session never before experienced by the law-making body. It was the first time that the mace had to be brought in to enforce order.

Virata was attacked by several members of the Opposition for his incompetence in guiding the nation's economic destiny and of his being a tool of the multinational corporations.

The tumult began when Opposition Assemblymen tried to question Virata's nomination. Speaker Nicanor Yniguez refused to recognize the ruling that the nomination or election of a Prime Minister cannot be subject to debate, such move being the exclusive prerogative of the ruling party.

We think the ruling was the very core of the disorder because the Opposition must have argued that in any election the voters have the right to question the competence, the ability and the qualifications of the candidate for the office he seeks to be elected. If it is true, as alleged by the Speaker that only the KBL is responsible for the election of the Prime Minister in a parliamentary system of government, then why let the Opposition participate in the election? Why not just appoint the Prime Minister instead of nominating him by the President? The ruling of Yniguez strange and undemocratic to the Opposition who wanted a democratic election where the participants can object and present their reasons why the candidate should not be elected. This was important because even the KBL members were not unanimous in the election of Virata.

Everybody knows that during the three years that he was in office as Prime Minister and Minister of Finance in a concurrent capacity, Virata has not shown the ardour and push of a dynamic personality; the competence of a finance officer because he seems not to lift a finger regarding the economic

problems of the country. He has proven himself as an efficient errand boy who jumps at every order of Malacanang to borrow dollars abroad. If not for him our foreign debts would not have reached \$30 billion at present.

With Virata's meekness, low profile and soft-spoken personality, in the face of the financial wizards of the IMF, the WB and other world bankers, the Philippines is no match in negotiations for our loans which result in our impoverishment and the control of our economy.

The Opposition Assemblymen know that, both as Minister of Finance and Prime Minister, Virata, and the technocrats that surround him, are the ones responsible for the present economic collapse of the country. Naturally, the Opposition would cause tumult in the assembly if it was the price to be paid for stopping Virata's reelection.

Minister of Foreign Affairs Arturo Tolentino added fuel to the already burning Assembly when he propounded his argument that since Virata was nominated by the President, the President himself should be questioned, not the nominee. This kind of absurdity did not convince the Opposition who clamored for questioning Virata since he was the candidate and not Marcos. Marcos would always want the members of his "conglomerate" intact, to avoid a party debacle. He knows of the incompetence of Virata, but he also knows that, to maintain party unity, Virata must be reelected.

What will happen to the Philippine Republic, with its political and economic crises is, according to Tolentino, the sole responsibility of President Marcos.

Collantes, Tolentino Role Lauded

Cebu City VISAYAN HERALD in English 2 Aug 84 pp 3, 10

[Commentary by Al Alinsug, VISAYAN HERALD publisher, in the "Publisher's Column"--"Men of Courage: Collantes and Tolentino"]

[Excerpt] Two personalities from the KBL shone brightly during the opening session of the Batasan when the question of election of the prime minister was at issue. The two are worth a page in the Profile of Courage, a book which is yet to be written by one of the 50 million Filipinos.

In fact, a well-known Metropolitan writer has thought ahead about the Profile of Courage, a book written by American President Kennedy. If it were possible, the writer said, one page should be added to the book for one of the two men. Mentioned was former foreign minister Manuel Collantes, now assemblyman, for standing up and spewing his conscience. The other KBL man was Assemblyman Arturo Tolentino. Both attacked Prime Minister Cesar Virata as unworthy to be named back to his post.

Collantes attacked Virata virulently and voted against him while Tolentino put Virate to the torch after the vote. Both men did the nation good just the same. They let out what the nation feels. That's what one writer said and I second the motion. Virata should not have been crowned but hanged like boxer's gloves.

Batasan Regains Credibility

Cebu City VISAYAN HERALD in English 2 Aug 84 pp 3, 10

[News Analysis by Migs Enriquez, Jr., attorney, in the "Believe Me or Not" column: "The Assault on Virata's Competence and Loyalty"]

[Text] No doubt the Batasang Pambansa is regaining its lost credibility. It is rapidly shedding off its image as the rubber stamp of the Marcos administration. For this encouraging development, we should praise the initial performance of vocal and articulate members of the political opposition who are fighting true to form.

As incontrovertible evidence of the new thrust of the opposition in the National Assembly, we witnessed with extreme delight and excitement the concerted attack launched by the opposition against Virata. The Prime Minister was accused in no uncertain terms for the economic debacle suffered by the country and the widespread misery of its people. The bankrupt state of the national economy has been traced to the incompetence of bookworm technocrats led by Prime Minister Cesar Virata who is believed to have devoured books on financial and economic topics which are totally inapplicable to the Philippine situation. Thus, the diplomas dangled by Virata and his self-appointed experts are no longer taken as guaranty to competence but as proof of intellectual arrogance to hide their ignorance on present realities.

But what is most hurting to an onion-skinned bureaucrat like Virata is the assault on his patriotism and sense of loyalty to our country and people. As a proud descendant of Emilio Aguinaldo who was the leader of the successful revolution against Spain and who fought as Military Dictator in the Philippine-American war, it is but understandable that Virata has felt deeply wounded when his love for the country was questioned. That Cavitenos are proud of their achievements in the revolution against Spain should be admitted. Indeed, only the Cavitenos can validly claim that without their courage and intense patriotism, there would have been no successful struggle in the fight for independence against Spain.

But Virata should not bask in the glory of his predecessors. The exploitation and stranglehold of the IMF and the World Bank to which Virata is strongly suspected as its staunchest advocate and promoter are now fully documented. No amount of economic cliches and elocution can prevent us from entertaining honest thoughts that Virata is serving foreign interests at the expense of our people. It would appear that Virata is more conscious of maintaining his good image in foreign financial circles than in securing the best terms for our country.

Some would be tempted like Assemblyman Arturo Tolentino to lay the blame for the economic mess on the doorsteps of Malacanang. While Marcos could not exempt himself from responsibility due to the fact that he is the head of the state, nevertheless the principal culprit is undoubtedly the incumbent Prime Minister whose economic policies are regarded as gospel truth even by Marcos himself.

It is heartening to note that at long last, the opposition is commencing the fight to strip Virata of his dubious competence and loyalty. Otherwise, the Batasang Pambansa could never regain the respect and trust of the people.

Virata Powerless, 'Subservient'

Davao City PEOPLE'S DAILY FORUM in English 4 Aug 84 p 9

[Commentary by Boy Nograles in the "Yellow Bird" column: "Barking at the Wrong Tree"]

[Text] As the country reels in economic hardship, the opening sessions of the Batasang Pambansa experienced exercises in tongue-lashing speeches and parliamentary maneuvers in the re-election of Prime Minister Cesar E. A. Virata. A fourth recess had to be called before Virata's election. According to reports, only Speaker Yniguez's mailed fist policy saved Virata from political assassination on the floor of the Batasan. The opposition's futile move to question the President's nomination of Cesar Virata to the post of Prime Minister of the country failed by sheer force of number.

And why not?

The crux of the oppositor's argument is that Virata is the head of the "technocrats", a supposed tool of the IMF and the reason behind the country's economic debacle in cooperation with our so-called economic managers, not to mention the "CRONIES".

But what powers does Virata really have in connection with the financial thrusts of the government and its huge investments? Does anyone really question the President's payment in this regard? Minister Arturo Tolentino was quoted to have said that the position of Prime Minister in our country is more honorific than functional.

Arturo Tolentino (KBL)--"Virata is 'nothing but a shock absorber of the President'. His position is 'empty and pitiful' because the Prime Minister has no authority or power and is 'subservient to President Marcos'.

And so it is that businessman-critic Jaime Ongpin of Benguet Mining Corporation says that we are all barking at the wrong tree. For indeed, President Marcos holds the reigns of government and controls the KBL ruling party, and any economic or political debacle must necessarily be attributable to the national leadership. As if admitting the haplessness of the situation, the NEDA has reported that as of the end of May 1984, the purchasing power of the peso is only 38 centavos. What is worse is that there is no safe assurance that it will not sink further down.

Opposition Assemblyman Antonio Cuenco (UNIDO-Cebu) has said that "to blame solely the technocrats...for the economic rape of the nation...is to tell only half the truth"... "we are not going to set up scapegoats for the leaders of this authoritarian government...it is the leadership of this regime that made the final economic decisions".

CSO: 4200/985

CONTROVERSIAL FILM, OPPOSITION PRESS PROFILED

Penang THE STAR in English 27 Jul 84 p 22

[Text] MANILA: A new film that challenged the censors and the wrath of Government is drawing box office crowds in Philippine cinemas.

Sister Stella 1 tells the story of a nun caught up in labour disputes, social unrest and political agitation, true-to-life subjects rare in Philippine films.

In a country still nervously testing Government restraints three years after the lifting of martial law, the critically acclaimed movie is the first indication that the local film industry is ready to add social realism to the soft-core pornography and cops-and-robbers thrillers that are its usual products.

Sister Stella 1 tells of a nun's realisation that she must do more than counsel unwed mothers, that it is her responsibility as a Christian to take a stand on social issues.

The heroine joins a workers' strike, denounces abuses by the company management, is harassed and threatened.

In a sub-plot a frustrated journalist leaves his overcautious self-censored magazine to work for a daring opposition newspaper.

Sister Stella 1 had unusual publicity in the weeks before its release because of its presentation of a storyline that mirrors everyday life in the Philippines and for its success in pushing the limits of censorship.

Critics described it as a breakthrough, all the more so because the Government's censorship board released it without cuts for showing in some 40 theatres in Manila and scores more in the provinces.

The film, said director Mike De Leon, is "indirectly critical of the Government but it is not subversive in the sense that it advocates an overthrow of the Government."

A similar explanation of their editorial policy is generally given by publications that emerged in the aftermath of the murder last August of opposition leader Benigno Aquino.

Opposition magazines flourished, and some faded, in the heady post-assassination period of demonstrations and protest.

There was an effective boycott of the so-called "crony establishment Press" owned by friends of President Ferdinand Marcos. Many readers felt these publications were short on objectivity in reporting the murder and subsequent events.

Some editorial boards do not consider themselves part of the opposition but describe their publications as "constructively critical."

Sister Stella 1 gives a fictitious name to the timid magazine in the film but identifies the crusading newspaper as Malaya, a real-life daily that is known for publishing stories other major papers prefer not to touch.

Among the more thoughtful of the new weeklies is Veritas, backed by the powerful Roman Catholic Church. It was started by a group of businessmen who aligned themselves with the church in voicing criticisms of Government.

The editor is Felix Bautista, official spokesman of Cardinal Jaime Sin, the plain-talking archbishop of Manila. Those close to the cardinal say he likes to refer to Veritas as "my paper."

CSO: 4200/984

COLUMNIST ON SIGNIFICANCE OF 13 JUL MENDIOLA RALLY

Davao City PEOPLE'S DAILY FORUM in English 17 Jul 84 p 4

[Commentary by Ninez Cacho-Olivares in the column "My Cup of Tea": "Freedom by the Inches"]

[Text] One of the most difficult tasks of a reporter is to give an accurate crowd estimate. Police estimates are at times unreliable. For anti-Marcos demonstrations, for instance, crowd estimates become much too conservative and often deflated. During pro-Marcos, pro-KBL, pro-government rallies, crowd estimates can soar by the millions in minutes.

Doing it scientifically, i.e., getting the square footage of the area, taking x number of individuals per so many square feet and multiplying them to get a pretty accurate count can be a very tiresome thing and hardly anyone bothers with such scientific methods just for crowd estimates.

Between the ultra-conservatives and the generous, last Friday's crowd estimate was somewhere between 18,000 and 50,000. One thing was certain though. Last Friday's demonstration on Mendiola Street was the biggest so far staged by the multi-sectoral groups after the May elections. Considering that the marchers numbered in the thousands, one had to hand it to their group leaders and marshals. They maintained discipline all throughout. They managed to weed out infiltrators. They are highly successful in controlling some slightly nervous demonstrators who almost broke loose to scamper for safety during a slight commotion among some of the spectators. Immediately, these demonstrators calmed down and laughed off their initial nervousness.

The "Father Stella L" were there, ready to protect their "activist flock," just in case. The madreng calles were there as well and, quite frankly, they looked exactly the same as the madres in the kinder schools. I tried to see if I could detect a "communist" nun or priest. I failed miserably. The government must have a different method of sniffing "communist" among the demonstrators.

Chino Roces, looking like Emiliano Zapata without the machete, was there too. He did not strike me as a communist either.

A group of Atom ladies kept up a conversation with the frontline anti-riot policeman. One of them wondered why a cop was wearing a bullet-proof vest

when the students were obviously unarmed. Another asked if the soldiers were armed. The reply? There were no arms, only truncheons. However, a photographer who was atop a building said that the soldiers at the back had long arms.

Perceptions differed greatly. Some have written that the demonstration achieved nothing. What were they expecting? A revolution? More violence and bloodshed? But the multi-sectoral groups have always said that, if violence erupts, it will never come from the, because they espouse and will continue to espouse non-violence.

Others claimed that it was silly for the protesters to make such a big thing out of gaining a few inches of Mendiola.

I think that those who dismissed that demonstration as ineffective missed the whole point of the exercise. To the marching students, laborers, nuns, priests, professionals and businessmen, winning back for the people a few inches of Mendiola meant a lot. To the tear-gassed and water-hosed victims of the previous demonstration, marching on Mendiola in front of the phalanx of soldiers, and in unified voices, denouncing what they believe is a dictatorial government, was the first step towards freedom.

So one says, so what?

Ah, but in a country where demonstrators may be jailed or "salvaged"; where protesters can be charged with the crime of destabilizing the Marcos government; where activists and human rightists are called communists and where rights and freedoms have been curtailed all in the name of national security, holding a disciplined rally in Mendiola is something.

Someone remarked that too much emphasis was being placed on the 10 steps from the white dividing line that were granted the protesters. But, as someone else remarked, that's something. Maybe they're only inches, but who knows, maybe we can win back our rights slowly--inch by inch.

Perhaps that was all that the demonstration was about: an exercise in patience and determination. In time, keeping determination alive and continuing the struggle for the restoration of our rights and freedom, the Filipinos can regain what rights they lost, inch by inch, in a peaceful, non-violent way.

And it may well be that the youth shall lead the way.

CSO: 4200/984

SOUTH COTABATO CLERICS TO STOP ATTACKING GOVERNMENT FROM PULPIT

Davao City PEOPLE'S DAILY FORUM in English 18 Jul 84 pp 1, 8

[Text] The use of the pulpit by priests in airing their grievances against the military and civil government was shelved in the Diocese of Marbel, South Cotabato.

This was among the salient topics discussed lengthily in the first military-church-local government dialogue held early this week at the Bishop's Palace in Koronadal, South Cotabato.

Instead of the use of the pulpit against the military and the civil government, cooperative efforts for peace was arrived at by the participants who believe that this will enhance mutual trust instead of confrontations.

The dialogue was spearheaded by Bishop Gutierrez, Diocese of Marbel; Col. Andres M. Superable, Provincial Commander/Police Superintendent of South Cotabato PC/INP Provincial Command; Col. Arthur Enrile of the Southern Forces; and Mayor Sueno of Koronadal.

Participants included other top-ranking military officers, INP Station Commanders, all Diocesan priests of Marbel, representatives of the Social Action Group and other lay organizations. Representing PC/INP RECOM II was Regional Chaplain Maj. Vicente Tungolh CHS (PC).

Alleged military abuses, liquidations of policemen and military personnel by members of the CPP/NPA Sparrow unit and other violent terroristic activities; and the unfair use of the pulpit as well as church-supported newspapers in denouncing military abuses were taken up.

The following four-point agreement was arrived at by the representatives of the military, the church, local government and lay organizations during the dialogue:

--Military commanders pledged immediate attention to any problem brought to their attention;

--The pulpit shall not be used for sweeping and generalized denunciations against any group, particularly those of the government; and

--Dialogues among the military, the church, representatives of local government and lay organizations will be conducted on a regular basis.

COLUMNIST ON 'BIZARRE' EDITING OF MALACANANG INTERVIEWS

Davao City PEOPLE'S DAILY FORUM in English 20 Jul 84 p 4

[Commentary by Ninez Cacho-Olivares in the "My Cup of Tea" column: "Why Piecemeal?"]

[Text] When one takes a little more time to intently watch the government television news program, one takes immediate notice of something quite bizarre in its news presentation.

Sometimes the bizarre situation extends to other television stations as well, but it seems that government television does it as a matter of habit, or policy, or perhaps it doesn't think the public would notice anything strange in its presentation of the news.

Have viewers ever noticed how many times Malacanang interviews have been chopped into parts and fed to the public piecemeal?

There have been instances when, say, Mr. Marcos, interviewed by the Malacanang press corps, would sound out his views on a certain issue. The film clip, with the corresponding voice-over (generally carrying more or less the same slant) is utilized by almost all the television stations. Most everyone will agree that there is nothing bizarre about this. Filipinos are much too used to reading and listening to uniform news stories anyway.

The strangeness really starts when, on the next day, television carries another film clip of Mr. Marcos giving his views on, say, a political situation. On the third day, viewers are greeted again with another news story on Mr. Marcos giving out his opinion this time on the economic situation.

But what is so odd about having Mr. Marcos daily on the local television news program?

Nothing odd again, until one notices that Mr. Marcos is wearing the same barong tagalog or the same jacket or the same shirt for the past so many days.

So one can just shrug this off and say, "So Marcos's dry cleaner didn't deliver his shirts on time or Marcos doesn't care too much if he is seen wearing the same shirt a hundred times over."

True, except for one puzzling note throughout the three-day video. The same security agents are around him. The same backdrop is utilized and more puzzling is that fact that the interviewers, the security men and even Mr. Marcos stand on exactly the same spot. Camera angles are stationary at times.

It is probably one chance in a million that all these peculiarities happen in three separate days, and rather quite frequently. Obviously, the video-taping was done in just one session. Why give the news on Marco's views on a piecemeal basis then?

Is this Mr. Cendana's way of impressing upon a viewing public that the chief executive gives daily interviews? Or is it the feeling of government television news programmers that their newscast will be so lackluster without a daily dosage of Mr. Marcos?

If the government television news programs featuring piecemeal Marcos pronouncements are geared to give the public the impression that Marcos gives daily interviews, I suggest that a little more imagination and creativity plus a healthy dose of backdrop changes be injected because one is generally left wondering why Macalanang interviews are being chopped up (not censored, of course) and stretched to last for at least three news days.

If, however, Mr. Cendana's idea is to project Mr. Marcos daily on the the government station, one is tempted to remind Mr. Cendana that there is such a thing called overkill and overexposure which at times turns off the viewing public.

What is at times just as strange is when a newscaster reads an item that focuses on Marcos talking to some Cabinet members and an old film clip is shown without the usual superimposition of the words "file video." The viewing public is led to believe that the Cabinet meeting occurred that day.

Other times, there are no film clips that go with a press release. What one is greeted with is an old photo of Mr. Marcos taken maybe 18 or 15 years ago. One must admit that Mr. Marcos did look much, much better then, but one does wonder if the television stations are so hard up on photographs that the same old Marcos pictures have to be flashed almost everytime.

As the information chief, dear Greg Cendana really should make an effort to see to it that if the Marcos news must be given in piecemeal basis, he must ask Marcos to have a costume change at least twice and have a change of scenery at least thrice (there are, I trust, more than two rooms in the People's Palace) and direct the newsmen and security guards to switch positions, after every question asked.

It may take a little more time and a lot of creative direction, but it certainly would make the propaganda less bizarre.

Whether the propaganda will be credible enough for the public to swallow is another matter. But that's the problem of government and, of course, dear Greg.

NPA SABOTAGES NPC SITE IN DAVAO DEL NORTE

Davao City THE MINDANAO DAILY MIRROR in English 22 Jul 84 pp 1, 9

[Article by Loy Opena]

[Text] Some 30 heavily-armed men said to be members of the New People's Army burned down the tank and transformer of the National Power Corporation and the field office of the Herrera construction company during a surprise raid of sitio Tindalo in barangay Mainit, Nabunturan, Davao del Norte at about 5 o'clock yesterday morning.

A report received by Col. Patrick Madayag, Davao del Norte provincial commander, from Capt. Cesar Mancao of the Nabunturan police station indicated that the rebels also burned two-wheeler cargo trucks of the NPC.

Total damage as a result of the burning and indiscriminate firing of the terrorists was estimated at ₱2 million.

The damage is expected to increase in view of losses to be incurred by the affected companies such as North Davao Mining Corporation and Paper Industries Corporation of the Philippines (PICOP) as a result of the power cutoff they will suffer. NDMC alone loses ₱1.5 million a day from power brown-outs.

Mancao said that the terrorists first disarmed the three security guards of NPC. Then, they herded some 12 NPC workers and employees out of the NPC compound, poured gasoline into the buildings and trucks before putting them to the torch.

The rebels did not however hurt anybody.

The Mainit incident is the third sabotage job of the terrorists in Davao del Norte. Last June 12, an NPA band knocked down NPC power posts in New Balam-ban, Tagum resulting in huge damage to PICOP, NDMC and Apex Mining Company. In June 16, the terrorists felled six other NPC posts in Panibasan and Tagbas in Maco affecting Apex and NDMC.

Several teams of military, police and paramilitary units dispatched by Brig. Gen. Jaime Echeverria, Regional Unified Command (RUC) chief, to track down the rebels are expected to make contact with the perpetrators anytime tomorrow

CSO: 4200/984

CEBU EDITORIAL WARNS ON 'GROWING ANTIBASES SENTIMENTS'

Cebu City VISAYAN HERALD in English 11 Aug 84 p 3

[Editorial: "The Growing Anti-Bases Sentiments"]

[Text] The American decision-makers in Washington should realize this early that the presence of U.S. bases in the country will be a continuing object of protest by Filipinos now that nationalism appears to be fanned by American support of a dictatorial regime.

Many are of the opinion that the presence of American bases in Philippine soil is a monumental hypocrisy. If the bases are to be considered as a mantle of protection for the ideals and survival of democracy, of what use is their presence under a regime that continues to impose dictatorial powers? It is hard to reconcile and harmonize these two conflicting scenarios.

As a result of this set-up, a growing feeling against cordality and friendship is bound to arise. Hence, the anti-bases demonstrations have grown in intensity and frequency.

A dictatorial regime that is dislike for its anti-freedom and anti-democratic powers and policies makes these bases an excellent object of protest.

CSO: 4200/985

DAVAO MILITARY BARES PLAN TO FOIL DISGUISED REBELS

Davao City THE MINDANAO DAILY MIRROR in English 11 Aug 84 p 3

[Text] DAVAO CITY--The next time terrorists plan a raid, they're in for a surprise.

Military authorities here said that they have devised an identification system to foil terrorists disguised as "friendly forces" from deceiving cops and militiamen.

The brainstorm came after an estimated 70 to 90 terrorists pillaged the town of Pantukan, Davao del Norte last July 29. Wearing new black fatigue uniforms and well shined boots, the raiders surprised local policemen and ransacked the police armory of 24 firearms--4 M16's, 13 Garands, 3 Springfields, 1 Browning Automatic Rifle (BAR) and 2 Cal.22's.

The raiders also looted the Pantukan District Hospital of medical and dental equipment worth ₱150 thousand, according to public health nurse Mrs. Merced.

Sgt. Ildefonso Q. Lendio, Pantukan Police Chief, said that to make the deception complete, the terrorists deployed themselves in teams of seven just like Scout Rangers.

An old woman welcomed the disguised terrorists with shouts of "Mabuhay ang Sundalo" when they hit town at about 2 pm of that fateful day aboard passenger jeepneys. They came with guns pointed downward and spread themselves in 10 places: the bridge, the barangay hall, the cornmill area, the hospital, the town hall, the Central Elementary School, the road to the beach, the gallera, and Biugay road.

"We came from a field operation" was how the terrorist leader explained their presence to the police station guard who had the company of a grounded policeman and a radio operator.

Five minutes later, the raid began. But not before they shot the grounded policeman, Patm. Lipain Sarael, to death.

Most of the arms taken by the terrorists came from barangay Araibo, where a home-defense force had been dissolved for lack of men. They could not gather

enough men to make a platoon-size force, according to Patm. Manuel Cordova. Cordova was charged with the safekeeping of the firearms.

At the municipal hall, terrorists tore down a wall of the former police headquarters, suspecting that arms were hidden below the town halls' staircase.

At the same time, the team deployed as look-outs were busy filling their pockets with candies and foodstuffs from a sari-sari store. "they spared the canned sardines but took all the corn-beef," said the storeowner.

Not content with all the hospital medicines, the "hospital team" helped itself with the boiled pork meat to be served as supper for hospital patients.

"It was a display of the arrogance and barbarism of the terrorists," said one resident.

CSO: 4200/985

MANOBO TERRORISTS 'MASSACRE' SEVEN IN COTABATO

Davao City PEOPLE'S DAILY FORUM in English 11 Aug 84 pp 1, 10

[Article by Jun Atillo]

[Text] A band of Manobo terrorists, who were out to seek vengeance against Christian enemies, and, at the same time, rob for sustenance, strafed to death seven men in sitio Tayucan, Magpet, South Cotabato last Sunday morning. The fatalities were believed to be innocent civilians as indicated by military reports.

Sources identified six of the seven fatalities as Paulino Provida, Marcelino Canonigo, Nicasio Tuling, Donato Cuares, a certain Daba and Mara. The other has not yet been identified.

Authorities disclosed that at eight in the evening last August 5, a heavy-duty three-fourth truck was travelling along a secluded feeder road along sitio Tayucan, in Magpet, when an undetermined number of armed men motioned the driver to bring the vehicle to a halt. Then men, who were believed to be Manobo terrorists, ordered all women and kids to get out of the truck and leave the men behind.

To deter any trouble, the women and the kids left but with the obvious apprehension that something worse was waiting for the men, which included the driver.

The armed Manobos ordered the men to line up, then after that divested every available money, including groceries. They were able to scoop up about ₱10,000 pesos of cash and food items.

For the women, the order of the leader of the band was final. They hurried away from the group along with the kids. Just as they were about two hundred meters away from the Manobos, they heard rapid shots from Armalites wielded by the gunmen.

Military reports indicated that the Manobos gunned down seven men, while three others, suspected to have been kidnapped, are until now missing.

Authorities recovered the dead bodies of the victims only last Tuesday, almost two days after the incident took place.

Until presstime, authorities have yet to apprehend one suspect inorder to establish the real motive of the killing.

CSO: 4200/985

PRESS REPORTS CHANGING TERRORIST TACTICS IN DAVAO

'Agaw Armas' Spreads to City

Cebu City VISAYAN HERALD in English 5 Aug 84 pp 1, 4

[Text] FORT BONIFACIO, Metro Manila--"Agaw-armas" team of the New People's Army who were then concentrating its effort against CHDF's at the PANAMIN Hill tribe at Sangat, Sapa, Davao Oriental have expanded its firearms grabbing activities in New Bataan, Davao del Norte and other parts of Davao Peninsula.

This was revealed today by Col. Ernesto Calupig, commanding Officer of the Home Defense Forces Group (Airborne) in his report to Army Chief, Maj. Gen. Josephus Q. Ramas.

In a radio message, Calupig said, this group, believed to be under Alexander Navarro alias Commander Saulo are clad in full military uniform complete with 37th Infantry Battalion patches.

He said the group, who partly failed in their agaw-armas activity in Sapa Davao Oriental were divided into three groups and separately fielded in Compostela, Davao del Norte; Patung, Maglao, Banganga, Davao Oriental and in New Bataan, to step-up its campaign and launch a massive firearms grabbing and other terroristic activities against military and CHDF personnel in the area.

The number of firearms carted away by the NPA's from the PANAMIN Hill tribe was not reported.

New Ploy Disturbs Police

Davao City PEOPLE'S DAILY FORUM in English 7 Aug 84 pp 1, 9

[Text] DAVAO CITY--Are cars now being used by Sparrows?

This possibility of a new terrorist tactic disturbed police sleuths who found two pistol holsters in an abandoned Brazilia car which ignored repeated warning bursts from pursuing constables led by Lt. Isidro Bulanadi the other day.

As this developed, Brig. Gen. Jaime C. Echeverria of the Regional Unified Command ordered all military and police checkpoints to double their scrutiny on all cars bearing suspicious-looking men.

Said Echeverria: "Our boys just might have stumbled into a new ploy by terrorists to escape detection. They realize their motorcycles can no longer fool us."

The cream colored Brazilia bore plate number LBA-103. Up to presstime, the owner of the car remained a mystery even to the Bureau of Land Transportation.

Last Sunday at 10 PM. Lt Isidro Bulanadi of the 431st PC company gave chase to the Brazilia after failing to stop it at San Roque, Bajada.

Warning bursts from Bulanadi's men were then fired but that only sent the pursued car into increasing its speed. What stopped the Brazilia was a movie billboard at the corner of LP. Laurel Avenue and Mapa St.

The car's occupants--"six vicious-looking men," according to Bulanadi--escaped under cover of darkness towards Mapa St.'s extension, leaving the Brazilia behind and two leather holsters.

'Outsiders' Activities, 'Amazon' Surrenders

Davao City MINDANAO TIMES in English Vol XXXVIII No 5, 1st edition, Aug 84

[Text] DAVAO CITY--Residents of Langub, Talomo district this city might be forced to "take the law into their hands" unless authorities take steps to protect "outsiders who are preaching a kind of politics they cannot understand."

Barangay informants of this paper reported that they were angered by the group's insistence that they should not submit themselves for medical and dental treatments offered by a government team of military and civilian doctors last Monday.

"We cannot understand why they are repudiating the medical services which we badly need," says a Langub housewife whose four children were treated for anemia and second-degree malnutrition.

Meanwhile, a member of the communist terrorist network operating in Laac, San Vicente under a selfstyled "Commander Caezar" surrendered last week to police authorities in Bansalan, Davao del Sur.

The former amazon also turned-over a rusty baby armalite issued to her when she joined the terrorists in 1981.

Barangay captain Custodio Luayon of New Clarin, Bansalan accompanied the surrenderee, identified as Visitation Abayo to Bansalan police chief Fernando Sonza.

Abayo, who sports the nom de guerre "Commander Nicnic" said she "is tired of leading a fugitive life" in an interview with the Davao del Sur Sentinel.

It was also learned from Sentinel reporters that "Commander Nicnic" is married to one Edmundo Calalin of New Clarin, Bansalan and recently gave birth to a baby boy "whom she wants to raise in the most normal way possible under her present circumstances."

BMA PRESENCE IN DAVAO BARANGAYS SEEN AS AFP 'PLOY'

Armed Group Prompts Evacuation

Davao City THE MINDANAO DAILY MIRROR in English 14 Aug 84 pp 1, 9

[Article by Ram Maxey]

[Text] In the wake of the mass evacuation of residents from barangays Uyon Uno and Uyon Dos, this city, as a result of the sudden appearance there of a large number of armed men identified as members of the Bangs Moro Army (BMA), a secessionist organization, has raised the question: Is the BMA presence a ploy of the military authorities?

This question is being asked by the evacuees themselves who estimate the number of armed BMA in the two barangays at 200. Although the BMA has not actually, as of this writing, gone on a shooting rampage, residents got scared enough to evacuate to the neighboring barangays of Mandug and Tigatto in Buhangin district.

The BMA appeared on the scene without warning on August 2 and since then has reportedly established checkpoints and conducted searches and lectures among the residents who remained for a few days until discretion became the better part of valor, triggering a massive moveout to the comparative safety of nearby barangays.

When queried on the subject yesterday, Davao Metrodiscom commander Col. Gerónimo Valderrama remained tight-lipped, except for the statement--"If you are a peace-loving Filipino you do not have to worry about that, really."

However, knowledgeable quarters have advanced the theory that the BMA is there to flush out terrorists in the area who would then be caught between the rebel-returnees (BMA) and military forces beefed up by Marines.

Only the hardiest souls among farming residents of the two barangays dare to return daily to their abandoned farms to continue eking out a livelihood from the soil even as their wives and children are temporarily refugees from the disputed area.

Up to this writing there has been no evidence that terrorists who have, reportedly, been operating in the area have engaged the BMA in battle.

However, in barangay Mandug two policemen were shot and killed by terrorists inside the community market early Sunday morning. One 9-year old child was also killed in the crossfire, while several other residents were wounded.

Whether the incident would bring in the BMA, with the blessings of the military authorities, is a question that may be answered soon, and Mandug residents are even now awaiting the worst. "This is almost like hamletting," one of them, a teacher, observed. That's because barangays Uyon Uno and Uyon Dos have become ghost communities.

IBP Probe Sought

Davao City THE MINDANAO MIRROR-BULLETIN in English 13-19 Aug 84 pp 1, 8

[Text] Workers and residents of Mandug, Tigatto and other barangays in the northwestern part of the city have sought the assistance of local authorities and the Integrated Bar of the Philippines (IBP) to probe the presence of a large group of armed men believed to be secessionist rebels allegedly sowing fear and terror in the area.

The residents reported that the armed men, numbering some 200 with sophisticated weapons, arrived in the area August 2 and have since taken control of the several barangays including Uyon Uno, Tigatto, Mandug and Callawa, where several Muslim families reside.

A six-man initial fact-finding team composed of law students belonging to the IBP para-legal aid program and religious sisters reported that residents in nearby Coog and other barangays expressed fear that they might be the next target of the armed men.

The team disclosed that residents of Uyon Uno and Uyon Dos have evacuated to Tigatto as a result of the abuses perpetrated by the armed men.

The armed men were reported manning checkpoints, gathering the residents for meetings and lectures and imposed curfew and other restrictions.

Workers at the Davao Development Foundation and Lapanday Development Corporation, two agri firms operating in the area, complained that they are being prevented to do overtime work because of the restrictions.

The armed men were also reported to be patrolling the plantation areas and asking questions on labor leaders.

The residents also complained that their goats and chickens are being taken away by the armed men and wantonly use their personal belongings such as kitchen utensils and pots and pans.

The group has also arrested two unidentified youths in Uyon Uno August 7, according to residents, who were later traced detained at a military detachment in Tugbok.

Mayor Elias B. Lopez was not immediately available for comment over the situation but lawyer Antonio B. Arrelano, head of the IBP human rights committee, confirmed that workers from DDF and Lapanday have sought their assistance.

CSO: 4200/985

THAI RICE IMPORTS ARRIVE IN DAVAO

Davao City THE MINDANAO DAILY MIRROR in English 8 Aug 84 pp 1, 10

[Article by Ellen Perez]

[Text] The National Food Authority (NFA) announced that 70,000 bags of 100-kilo imported Thailand rice is at present being unloaded at Sasa wharf, this city. NFA Davao City Manager Ernesto M. Macasinag said that the timely move of the government in importing the cereal will end the vicious speculation in the supply and prices of this staple.

Macasinag said this fresh supply will likely flush out rice stocks being withheld by traders, households and farmers who delayed unloading the stocks in their speculations for higher prices.

Retailers and consumers are assured that Davao City will have enough rice supply until the next harvest season, Macasinag said.

He further gave assurances that the imported rice will be sold at the current government price. With the imported rice now being sold at the local market at ₱4.85 per kilo, supply and price of rice could be expected to return to normal levels, Macasinag added.

It may be recalled that the country experienced an artificial rice shortage as speculators took advantage of the disastrous effect of the long drought which many rice producing regions underwent.

Macasinag also stressed that the 140,000, 50-kilo bags of imported rice will be distributed in the provinces of Region XI based on their individual rice requirements which are as follows: Davao City, 55,200; General Santos City and South Cotabato, 26,000; Davao del Norte, 26,000; Davao Oriental, 20,000 and Davao del Sur 10,800 bags of 50-kilo.

CSO: 4200/985

EXOCET MISSILES FAVORED FOR HELICOPTERS

Kuala Lumpur NEW STRAITS TIMES in English 19 Jul p 13

[Text] SINGAPORE, Wed.--Singapore is likely to equip the French Super Puma military helicopters it is acquiring next year with AM39 Exocet air-to-surface missiles, defence sources said today.

They said talks were still under way between the helicopter and missile manufacturer, Aerospatiale, and the Singapore Defence Ministry about a package deal.

Singapore placed an order for 22 Super Puma (AS332) helicopters early this year on condition that except for an initial batch of five, they would be co-produced here.

Aerospatiale has an aircraft plant here called Samaero which is a joint venture with Singapore Aircraft Industries, a Ministry company, where the Super Pumas can be built.

The Exocet system was in use in several neighbouring countries and it would be an automatic choice for Singapore with its close Aerospatiale ties, the source said.

Singapore and Aerospatiale have refused official comment on the arms purchase talks.

Last year, Singapore bought half a dozen Ecureuil (Squirrel) helicopters for its military from Aerospatiale.

Meanwhile, a source in Aerospatiale was today quoted by the afternoon daily, Singapore Monitor, as saying that the Super Puma, due to enter service with the Republic of Singapore Air Force (RSAF) next year, is one of the aircraft which can be armed with the Exocet.

In South-east Asia, PT Nurtanio of Indonesia is manufacturing the Super Puma under licence.

It produced the first in April 1983 and now has orders for 69 machines. Customers include the Indonesian Air Force, Navy and Forestry department among others.

TIN SMUGGLING UP

Kuala Lumpur NEW STRAITS TIMES in English 6 Aug 84 p 1

[Text] KUALA LUMPUR, Sun.--More than 20,000 metric tons of smuggled tin concentrates will reach Singapore this year compared to a few thousand tons two years ago, a report in the August 3-4 issue of the Asian Wall Street Journal said.

"After refining, this year's total will equal 14,000 tons of tin or nearly 10 per cent of annual world tin consumption with a market value of at least \$176 million.

"Singapore makes no effort to stop the smuggled tin from reaching its shores. A Singaporean company processes some of the concentrates and it is later sold to smelters in Netherlands, Spain and the Soviet Union."

The quantity smuggled into Singapore is sufficient to undercut already depressed world tin prices and strain the price-support system of the International Tin Council (ITC). The council plans to spend more than \$250 million this year to support tin at its minimum price of about \$12,600 a ton.

Quotas

To make things worse, non-member producers are stepping up their production while producing countries cut exports by nearly 40 per cent to balance supply and demand.

The report said that tin runners in Malaysia, Thailand and Indonesia are using their ingenuity to sneak semi-refined tin across their borders into Singapore including packing it into concrete pillars heading for a Singapore construction project.

The report also charged that a plan to trade tin on the Kuala Lumpur Commodity Exchange this year has come "unglued". Traders have shied away from the exchange in the wake of a \$70 million default in the palm oil market last March.

"That incident has forced postponement of tin trading indefinitely," it claimed.

Quoting Malaysian Customs officials, the report said that most of the illegal tin traffic goes by sea through the Straits of Malacca. Ships from Singapore smuggled into Thailand televisions, watches and other goods that carry high Thai import duties.

They said that Malaysian authorities are convinced that the bulk of the tin smuggling is organised and bankrolled by business syndicates in Singapore and Thailand.

"You have godfathers everywhere, not just in the United States," it quoted Malaysian Primary Industries Minister, Datuk Paul Leong.

The Minister, however, refused to comment when contacted by the New Straits Times today.

Customs officials were not available for comment.

CSO: 4200/989

SINGAPORE WANTS BETTER MILITARY TIES

Penang THE STAR in English 22 Jul 84 p 4

[Text] SINGAPORE, Sat.--Singapore has called for increased military co-operation among six non-communist countries of South-East Asia in order to meet any threat to the region's security.

Defence Minister Yeo Ning Hong told a graduation ceremony for military officers last night that the Kampuchean conflict and the Soviet naval and air buildup in Vietnam continued to have an unsettling effect on the region.

"We must leave no stone unturned to ensure continued peace and stability. The military capabilities of the Asean countries should be enhanced to the level necessary to meet external threats and deter aggression," Dr. Yeo said.

Asean--the Association of South-East Asian Nations--groups Singapore, Malaysia, Indonesia, Thailand, the Philippines and Brunei in a political and economic alliance. But its members have been increasing military co-operation in recent years.

Dr. Yeo said Vietnam's refusal to withdraw its forces from Kampuchea had direct effect on the stability of Asean.

"Vietnam's granting of access to facilities at Cam Ranh Bay and Da Nang to Soviet naval and air forces is also unsettling," he added.

Dr. Yeo said Singapore would step up joint air and naval exercises with its immediate neighbours, Malaysia and Indonesia, and provide training facilities for officers from Asean countries.

An official announcement today said the Singapore and Malaysian navies will hold combined exercises in the South China Sea between July 25 and 30.

CSO: 4200/989

ARMS DEAL WITH CHINA SIGNED

Kuala Lumpur ASIAN DEFENCE JOURNAL in English Jul 84 p 7

[Text] A Singapore trading company has secured a contract to sell American-made high technology weapons and rocket systems to the People's Republic of China. The company, Chartwell, which specialises in the sale of Western products to China, concluded negotiations with Chinese Defence officials during an industrial and trade exhibition at Tianjin recently. This was the first arms deal with China after President Reagan's official visit to the country in April.

Chartwell, established as a Sino-Western trading company in Singapore in 1977, is the sole agent in China for 45 European and U.S. companies. It has no links with Singapore's state-owned arms manufacturing industry. While the arms deal is significant, it is only a small part of a series of important contracts the firm had managed to secure on behalf of its clients. Agreements had been made with Chinese authorities to build a harbour on a turn-key basis at Tianjin. Negotiations are currently underway to build three more harbours in other provinces. It is highly possible that Chartwell will also act as agent for the supply of sophisticated equipment to improve Tianjin's petroleum industry.

CSO: 4200/989

CONTROVERSY OVER STUDENT CENTER FUNDS CONTINUES

Activist Seeks Funds Return

Bangkok MATUPHUM in Thai 2 Jun 84 pp 1, 16

[Text] Sutham Saengprathum is counting on the courts to get back funds from the government. "Meechai", countering, is talking confusedly, as if he had no political agility, hoping to just please the government. The dean of the law faculty of Thammasat University mentioned specifically that the registered owner of the account, who is the person with the power to withdraw money, can sue for damages without the Student Center becoming involved as a party in the action.

The case of the Student Center funds [involves] more than 4 million baht, which was deposited in Bangkok Bank's Banglamphu branch. Subsequently, the government, during the Tanin Kraivichien period, issued an order for the Ministry of Finance to confiscate it, as MATUPHUM presented in a series of reports. Mr Sutham Saengprathum, former secretary of the Student Center of Thailand, further explained to MATHUPHUM that he has not yet received any kind of detailed clarification from Bangkok Bank about the confiscation of the funds by the Ministry of Finance by a Cabinet order or decree. The bank should clarify this matter with the legally registered owner of the account because after 6 Oct 1976, it appears that Mr Surachat Bamrungsuk, a Student Center of Thailand (SCT) committee member whose name was listed on the account, was still alive and in Bangkok.

Mr Meechai Ruchuphan, the minister of the Office of the Prime Minister, has expressed his opinion, stating that the government confiscated the SCT funds because at that time there was not SCT. The government had to confiscate the funds in the public interest similar to action that would be taken when a foundation closes.

Concerning this matter, Sutham stated that the problem is not one of definition, even though these days the government exists securely by defining the law, because it is a matter of past law and justice. The SCT had activities designed to build social justice, but it was looked upon by the government as an illegal organization. But when the government confiscated the money donated by the people to the SCT as the responsible party, it then claimed that the SCT had been abolished. This shows that one can say anything in his own interest without taking into consideration any principles or fairness.

"I have heard that Mr Meechai formerly was a person who firmly believed in fairness and justice. I don't know what it is in this period that makes people completely lose their ideals. When the economy loses its momentum, then people immediately and completely lose their confidence in both economics and politics. I think that the case of Mr Meechai's statement shows a lack of political prowess. He might talk just to please the people in power." Mr Sutham also stated, concerning the SCT funds that the government confiscated from the bank, that he and former SCT committee members will have a meeting and discuss the matter further. He believes that during a period when the country lacks confidence like this, that the only way [to solve the problem] is to depend on justice from the courts.

As for the opinion of Mr Pricha Suvannathat, dean of the Law Faculty of Thammasat University, he still does not have the facts about who issued the order [to confiscate the SCT funds] and what law was used. He has only learned of the matter from the newspapers. Concerning regaining the funds, he must look at the facts first. If the confiscation was illegal, the SCT has the right to claim it back. Or, if someone had the power to withdraw the money by passbook, Pricha thinks it was a violation that caused damage to the SCT and that the SCT can sue for damages without it being necessary to be an active party to the suit.

Editorial Urges Investigation

Bangkok MATUPHUM in Thai 5 Jun 84 p 4

[Text] The news about the attempt of the former committee of the Student Center of Thailand (SCT) to claim the funds donated by the people and for which it was responsible is certainly worth examining. Approximately 4 million baht was left in a bank 8 years ago, excluding interest, which would amount to more if it were calculated. It is a very interesting matter because that money is collective funds that a group of individuals deposited in a private bank to do useful things for the common good.

But later, it turned out that the government of Thanin Kraivichien came to power along with the National Reform Council on 6 Oct 1976. It later issued a decree for the Ministry of Finance to confiscate the entire SCT deposit without a law sanctioning the legality of confiscating the people's funds.

The government of that period was considered to be headed by a famous Thai legal authority, but it turned out that justice was not implemented legally in the government's confiscation of those funds. On the contrary, the confiscation was done so quietly that it made people who did not know about it rather agree that the funds vanished along with the end of the SCT's role on 6 Oct 1976.

[This confiscation] is regarded as an unprecedented event because even in confiscating the wealth of people who were considered to have corruptly robbed the wealth of our land -- which is the ultimate crime -- the government still

had to act through the legislative body. Laws confiscating wealth passed Parliament, such as when Field Marshal Thanom Kittikachorn ordered the confiscation of Field Marshal Sarit Thanarat's [wealth] and during the period of Prof Sanya Thammasak, who had laws for confiscating the wealth of Field Marshal Thanom and Field Marshal Prapat Charusathien and Col Narong Kittikachorn, for example.

One of the ministers in the Office of the Prime Minister recently gave an interview in which he stated that the SCT is similar to a foundation when dissolved, in that the government would confiscate the funds in order to pass on its advantages in line with government policy. Such a statement is still ambiguous in the eyes of the people because we normally like to cite laws and the sanctions of old traditions as models for examining problems in general, even though justice is not at all evident.

The case of the SCT's 4 million baht fund is said to differ surely in the end from the money that the government previously had confiscated from all the marshals, because it never appeared that the SCT corruptly cheated people out of their money. On the contrary, the SCT was approved and supported by the people in its movement of repeatedly demanding social justice.

But as for the problem of a few million baht in SCT funds, even though the matter is more than 8 years old, we would like to see clear statements by the parties involved, such as the Bangkok Bank headquarters people who received the order from the government to confiscate the funds, the Cabinet decree that was used and by this government, which cannot deny the responsibility that has been passed on from previous governments. Otherwise, its image will be further degraded, which would not be advantageous for the stability of the government in the eyes of the people.

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CSO: 4207/175

BACKGROUND TO LEAVING TIN CARTEL DISCUSSED

Bangkok LAK THAI in Thai 12 Jul 84 pp 22, 23

[Article: "To Leave International Tin Council for Survival of Thai Mining"]

[Text] The important meeting of the [Thai] Mining Association (TMA) at Phuket at the beginning of July was a quiet matter. The members and executive committee of TMA came to a clear conclusion that they want Thailand to withdraw from membership in the International Tin Council (ITC).

Mr Dam Thiewthong, one of the most important members of TMA's executive committee, revealed this decision on this important matter to LAK THAI. He confirmed that the entire 18-member TMA executive committee was at the meeting and decided to send a letter to the Department of Mineral Resources (DMR) soon to request the government to withdraw from the ITC.

The reason that it made this firm decision stems from the opinion at the meeting that the ITC, to which Thailand now belongs, is not the sort of international organization that offers its members real advantages.

Mr Dam gave, as an example, that Thailand and its mining industry have encountered troubles continuously for more than a year now because the ITC has imposed export quota controls on its member countries and there are indications that this policy will be in force for the next 3-4 years.

Former members of the ITC, such as England, Bolivia, and Brazil, that only recently withdrew from membership in it, now are using loopholes in this policy to increase their tin production 100 percent and they are pouring tin onto the world market and making substantial revenues for their countries.

Besides, the mining industry in our country is encountering problems with export quota controls and quota allocations that the DMR is employing right now. Even though the department director named "Sivavong Changkhasiri" has a policy of export quota controls in order to discourage tin production in line with ITC policies...

...on the other hand, the DMR apparently is giving permission to open 45-50 more new mines. This conflicts with the policy for controlling production because permitting the opening of more new mines implies accelerating tin production even though the policy for controlling tin exports still exists.

In truth, the tin mining industry not only has problems in controlling mining and exports, but the facts at the recent meeting apparently made TMA feel that the government's tin mining tax collected from miners by the DMR is unreasonably high, as high as 29 percent of the sale price of tin. Actually, it should be only 15 percent, as it is in Malaysia.

The TMA thinks that if the tax collected were as low as 15 percent, then it will make tin smuggling to Singapore decrease and totally disappear without having to organize work units to chase after illicit tin as it does presently. This creates more openings for those authorities to be more corrupt.

As for the solutions that the TMA reached at the Phuket meeting, regardless of whether it is withdrawing from the ITC or negotiating a tax cut, after examining the problem, there are very few ways out that would help the mining industry, one of the basic industries of the country, to survive instead of "going down the tubes".

But the fact is that in practice, TMA's proposal at this time to have Thailand withdraw from the ITC appears very worrisome because it is well known that there are disputes between the TMA and DMR, especially [involving] the director named "Sivavong." These are the personal sort of disputes where they cannot stand the sight of each other.

Proposing this [course of action] to the DMR and having Mr Ob Vasurat, minister of Industry, present it to the Cabinet for a final decision is the long way to go because passing the influential camp of the DMR is a very dangerous matter for the TMA.

TMA sent Mr Dam out to make a statement at this time to express its stand regarding methods for solving mining industry problems. It said that the TMA wants this kind of policy and that if the DMR still will not listen, then they must inevitably collide, with one side being destroyed.

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CSO: 4207/175

THAILAND

PHICHIT INTERVIEWED ON ATHIT EXTENSION, DISSIDENT ARREST

Bangkok MATUPHUM in Thai 9 Aug 84 pp 2, 6

[Interview with Major General Phichit Kunlawanit, the commander of the 1st Infantry Division and the Deputy Commanding General of the First Army Area on 7 August 1984: "This Extension Concerns the Art of Leadership"; place not specified]

[Text] On the afternoon of 7 August, reporters assigned to the Government House received word from the 1st Infantry Division that [the commander] would grant an interview. When the conversation began, the commander of the 1st Infantry Division began discussing the situation in the country. He said that there are no problems because the country's economy is good. He also said that some newspapers have printed very harsh reports and articles about the military. When a reporter asked about the proposed extension in service of the supreme commander and RTA CINC, Major General Phichit officially began the interview by saying:

[Answer] As for this, you have to understand that at present, regardless of whether the country is peaceful now or not, we need a strong military. General Athit Kamlangek has implemented many programs in the different military branches. Thus, this concerns the security of the nation.

Don't forget that the military backs up the government, the nation and the throne. If it is to be strong, it has to have good, honest leaders. A person may be accepted by others but not be able to unite the various branches. The supreme commander has implemented programs to build up the branches and so why don't we give him a chance. I would like to say something about the rumors that there will be a split. I don't know why these rumors have sprung up. General Athit has said many times that he has his hands full with military affairs and that he wants to concentrate on his military work. Thus, I don't understand why people have been spreading rumors about a split.

[Question] You are referring to a split between General Athit and General Prem, aren't you?

[Answer] Yes. I think that the people best qualified to talk about this are soldiers on active duty. Others can talk about this, too, but who has more weight? Because national security does not arise just from weapons. It originates with capable military leaders.

[Question] Can it be said that the military is united in its view that General Athit should be granted an extension?

[Answer] Yes, it can. And it's not just the army. The air force and navy also hold that view.

[Question] Why has this action been taken now since he still has 14 months left in service before he is scheduled to retire?

[Answer] We feel that the supreme commander should do things that benefit the country. If we did this later, it could cause a split. Who would replace him? Some reporters cheer Lieutenant General Chawalit while others cheer me. Everyone is rooting for someone. This is not right and is causing splits in the military. We need someone who will unify and unite the military. That would be better. People in the military aren't talking about this. It's outsiders who are doing all the talking. I don't think that is good. Just after General Athit's return from abroad, reporters asked him if there were hawks and doves. I jokingly said to Lieutenant General Chawalit that previously I was an animal, a tiger, but now I am a hawk. Next, I'll probably be a snake or something. I don't think this is fair. Usually, I don't listen, but sometimes these things hurt. But I don't say anything. For example, one newspaper said that if it's a soldier you have to use the word "big" while if it's a politician you have to use the word "rotten." What is happening? It's good that they don't file charges. Thai society is strange. In the past, we respected senior people.

[Question] You spoke about building unity in the military. Will extending his term reduce the tension in the military?

[Answer] There is no tension in the military. Normally, we obey our senior officers. But outsiders have written about what the benefits will be if this or that person gets promoted.

[Question] There have been reports that you and Lieutenant General Chawalit are at odds. Would you clear up this matter for us?

[Answer] How could there be a conflict between us? He is my superior officer. We went and fought in Vietnam together. Don't forget.... I will tell you something and I want you to remember it. A division, or an army, will have many commanders over the course of time. The commanders change but the army remains. If people try to cause splits, that is very dangerous.

[Question] Why haven't you two spoken to each other recently?

[Answer] Why do I have to discuss this in the newspaper? I don't understand.

[Question] These rumors have been spread by certain soldiers.

[Answer] I am his subordinate. He is my superior. We work together and know each other.

[Question] There have been reports that you have been applying pressure to stage a coup d'etat and put speaker Ukrit in a high position.

[Answer] Who said that?

[Question] There are rumors.

[Answer] Do you believe them? If you don't, why do you have to spread them? As I said, commanders change. People change just as in a play. But it's terrible that people are trying to destroy the military. Remember this. The military must exist side by side with Thailand. However, the actors can change. Take the play during the past 10 years, for example. The cast has changed, but the play has gone on. No one can live forever. Don't think that things will be good forever just because someone has risen to the top.

[Question] How many years should the term be extended to have a good system?

[Answer] Whatever is appropriate. It depends on the security situation. Personnel changes are the military's affair.

[Question] Does that mean that the present situation is worrisome since a strong leader is needed?

[Answer] Have you thought about the situation in neighboring countries? You probably don't think that this will lead to anything.

[Question] When General Prem's term was extended, it was extended for just 1 year.

[Answer] That was a different case.

[Question] Has this matter been discussed officially yet?

[Answer] Yes. Various units have submitted a petition.

[Question] You are the person who has gathered the data, aren't you?

[Answer] Lieutenant General Chawalit and I.

[Question] What steps have to be taken? You have to have the approval of the prime minister, don't you?

[Answer] The minister of defense will submit the matter to the cabinet this month.

[Question] What has the supreme commander said about this?

[Answer] He is not in a position to say anything. This is something that soldiers are agreed on. I will tell you something. Unit commanders in the army who will retire in the next 2-3 months agree that his term must be extended since he has done so much to benefit the military.

[Question] That means that the three branches of the military are in total agreement that his term should be extended even though national security is stronger now than before. Is that right?

[Answer] Yes.

[Question] How long has the planning for this been going on?

[Answer] This doesn't require any meetings. People just talk together.

[Question] Did this begin when certain columns began making criticisms?

[Answer] Whenever I want to do something, I do it. I don't just write notes. I have a diary to give away.

[Question] Did this begin before or after the arrest of the suspects?

[Answer] After. When they were arrested, General Athit was still abroad.

[Question] Then that means that General Athit was not consulted about extending his term.

[Answer] He's the one under discussion. If I mentioned this to him he would get angry.

[Question] This shows that he and Lieutenant General Chawalit are cooperating closely.

[Answer] Yes.

[Question] There are rumors that General Athit supports this [arrest of communist suspects] but that Lieutenant General Chawalit doesn't.

[Answer] Such talk will bring retribution. If anyone says that Lieutenant General Chawalit is against arresting communists, I will personally "make them pay." I will make them pay for distributing such leaflets.

Why would anyone who has spent half his life fighting the communists be against this? It doesn't make sense.

[Question] Lieutenant General Chawalit unofficially informed the prime minister about this. What is his [Prem's] attitude about this and what will he do to solve this problem?

[Answer] I don't think that he will object. Because this is all the concern of the military. Don't forget that he is a former soldier. If you have reasons, "old" soldiers will listen. Because he has spent his life serving as a soldier. Those in the military respect him. Even though some people are trying to change his image and turn him into a politician, actually, he is not a politician. Thus, he will understand. We can talk to him.

[Question] There are many good political reasons for this extension, aren't there?

[Answer] I am not talking about good political reasons. I am talking about military matters. You look at everything from the standpoint of politics. But looking at things as a whole, there will in fact be political side-effects, won't there?

[Question] From now on, there won't be any "nighttime marches," will there? The tanks will just roll.

[Answer] Hey, why are you trying to paint me as a hawk?

[Question] We are afraid that you will actually do this.

[Answer] Why? Do you think I am some evil giant or something?

[Question] I would like to ask about the Young Turks. At what stage are things now?

[Answer] I don't know. But there are two points, that is, the matter of their pensions and their return to government service.

[Question] Do you agree with letting them return to help the country?

[Answer] Yes. That is, I favor having them serve the country. Since they studied at the military academy for 4 years and served in the military for 20 years, they have much experience. It would be a shame to waste that experience. Their experience could be put to good use. Soldiers who have risen to the position of commander can be sent into battle. The fact that they can do this shows that they are capable people. Thus, we have to regard these people as talented people. Making use of them would be beneficial. Laborers and farmers can help the country. Some of these people can return to military service.

[Question] How great are their chances of returning?

[Answer] That's up to superior officers. First, I think that they have much experience. Second, I think this would be beneficial for the unity of the country. The matter of pensions arose once before on 1 October 1948. The Young Turks have put pressure on General Athit. And for building unity in the country, this would be good. Mr Prachak and Manun were students of mine. Mr Wirayut was a subordinate of mine.

[Question] What do you think about the arrest of Mr S. Siwarak?

[Answer] Have you read his book LOKKHRAP SANGKHOM THAI [The Molting of Thai Society]? I don't think I can discuss this. Actually, I know all three. Regardless of what people study, they must follow the Thai tradition of showing respect to those who are senior to them. As for commenting on various Thai kings and saying that this one was not clever and that one not good, I don't think that that is proper. There is good and bad in each person. No one can be perfect. But we have to look at the whole and see what has enabled our country to survive. Each of our kings has played a part in enabling our country to survive to today. We cannot act in accord with the ideas of those who have studied abroad. That would be wrong. We have to look at the facts. If we had not had the monarchy, we would probably have collapsed by now. For example, in 1973, without the king, the country would have collapsed. Things would probably have collapsed after 1938. There would have been no one to counterbalance the military. But the king has been a real center. Even Americans say that Thailand is the only country in this region that has not gone communist. What's the reason?

Thus, those who have such ideas are stupid. This is true for anyone; I am not referring to S. Siwarak. Anyone who writes or says that our monarchy is bad or who retards progress is an idiot, which is worse than being stupid.

[Question] But Mr S. Siwarak has said that he has tried to make constructive criticisms.

[Answer] Don't think like that. I don't think that's correct. He was able to study for his Ph.D. because the prestige of the king enabled the country to survive.

[Question] Is he very close to Professor Sulak [Siwarak]?

[Answer] Yes, they live near each other. But this case of lese majesty....

[Question] There are reports that it was the military that ordered action taken in this case.

[Answer] That's wrong! That's simply not true.

[Question] But the Special Branch Division didn't dare take action.

[Answer] That's not true. The police had been monitoring this for a long time. People give little credit to the police. They work very hard. If they aren't sure, they don't make an arrest. Others just talk and try to use pressure. That's not right. How can the police do their job. Let them carry on their investigation. Let's not interfere.

[Question] Why is the investigation proceeding so quietly now?

[Answer] You're worried about your editor, aren't you. Chatcharin and anyone else who breaks the law must be punished in accord with the law. No one is above the law. They must be given a chance to clear themselves. No one will be framed. If the police tried to do that, charges would be filed against them. They wouldn't have taken action if they didn't have evidence. What policeman would do that, particularly in a case involving such a well-known figure? Think about this in a reasonable way. The newspapers are terrified. I am frightened, too.

[Question] Since both the prime minister and the supreme commander want this case handled fairly and quickly, why have there been so many problems?

[Answer] The Special Branch Division is carrying on things as fairly and quickly as it can. You are worried, aren't you? The editor of the BANGKOK POST, Michael Gorman, was jailed for 1 month. Even though he is a newspaperman, when the court found him guilty, he went to jail. I felt very sorry for him. I wanted to help him because I know him quite well. But he was willing to accept the court's verdict. I respect him. He did not try to find a way out of this. When the court rendered its verdict, he accepted that verdict.

[Question] Can you guarantee that there won't be a coup d'etat during this period?

[Answer] I don't think the military will interfere if the country is quiet. But if the country is in turmoil, I don't know. If there are demonstrations and other such things, we can't allow things to reach a climax.

[Question] So you won't guarantee that there won't be a coup?

[Answer] I'm not making a threat. I have to be so careful with MATUPHUM. Don't blame the re-writer. People will think that I am upset with you.

[Question] If someone tries to stir up trouble in the country, what could be done to solve the problem?

[Answer] Our country already has enough problems. Don't blame the government. Don't try to get those in positions of responsibility to do this and that. Don't interfere. Take this extension, for example. This is not the business of certain people, but they are still meddling in this. This is an internal military matter. Actually, I am not a "fierce" person. Please write that. Otherwise, people might start running away when they see me.

[Question] If people are forbidden from getting involved in or saying anything about this, how will you change the image that the military can ask for anything and no one can interfere?

[Answer] You see! MATUPHUM is carping at me. We have to consider things in a reasonable manner. Who is better qualified than us to handle matters concerning national security? That is something I would like to ask. We know our own business. For example, the air force wants the F-16. People say this is bad and that we won't have enough money. But they don't listen to the reasons. This gives rise to conflicts. People should first look at things in a good light and see what reasons have been given. They should not think that the military just wants to stage a coup or gain power. If that is how people view things, there will certainly be a reaction. The military is quiet now. We are fighting. But we are no longer fighting by using power. As soldiers, we are conducting ourselves like "gentlemen, fighters and developers."

[Question] Why is the extension of General Athit's term different from that of General Prem? Is General Athit "better" than General Prem?

[Answer] You ask questions just like MATUPHUM. Are you from THAI RAT? Such questions can hurt people. You have to look at the world in a good way, too.

[Question] It's becoming a tradition. From now on, we will have to report on extensions, won't we?

[Answer] Haven't I already told you that the actors can change but that the military must remain side by side with Thailand. (Turning to the MATUPHUM reporter) Wasn't it you who wrote that you would send a spy to gather information about me. It's because of such things that we can't get along.

[Question] If the term of General Athit is not extended now and nothing is done before September 1985, he may rise to an even higher position than that of supreme commander.

[Answer] If the soldiers love him and don't want him to go.... Is that what you think? You just think about his becoming prime minister. It's MATUPHUM that has caused Prem to become suspicious. We have to be careful about MATUPHUM, don't we. (Turning to a NAE0 NA reporter) We have to be careful about MATUPHUM. But from now on, I will have to be careful about NAE0 NA, too.

[Question] Why do you have to be afraid of MATUPHUM?

[Answer] Because of its headlines and articles. It uses such a "sharp" pen.

[Question] Did the story about the extension come about because the column Mangkon Ha Lep received word of this from the military?

[Answer] Mangkon Ha Lep in THAI RAT, is that right? Can you buy them? I don't know. He is like Wai Tathiep [a columnist].

[Question] Is he too expensive to purchase?

[Question] No. But I would like to ask, why does everything have to start with buying or making plans?

[Question] I would like to ask a personal question. This October, you may be put in a staff position. If so, will you still be involved with the 1st Division?

[Answer] What are you talking about? You talk as if I can become anything I want. I just heard this. Soldiers are taught to show discipline. If your superior officer orders you to die, you do so. This is art.

[Question] This extension is art, right?

[Answer] It's one type of art. The art of leadership.

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CSO: 4207/200

CARTOON LAMPOONS PHICHIT SUPPORT OF ATHIT

Bangkok MATUPHUM in Thai 9 Aug 84 p 3

[Cartoon]



[Text] Key:

- (1) Father Sua [Phichit] (Wat Khao Kao)
Conducts extension ceremony
Lays strong base
Has 108 types of holy water
- (2) Quality guaranteed
- (3) Extension

11943

CSO: 4207/200

MILITARY AFFAIRS AND PUBLIC SECURITY

BUSINESS SECTOR NEEDS MORE INVESTIGATION, INSPECTION

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Jul 84 pp 1, 4

[Article by T.Q.T.: "Strengthening Inspection, Investigation in Commerce Sector; Many Management Loopholes, Plots to Encroach Upon Socialist Property Discovered, Dealt With"]

[Text] The Ministry of Home Trade recently held a 3-day conference in Ho Chi Minh City to summarize investigation and inspection work in the sector during the 2 years of 1982 and 1983, and to present the investigation and inspection mission for 1984.

The conference confirmed that during the past, illuminated by the resolutions of the party and the state, order in distribution and circulation has been gradually established and the business operations and management of the home trade sector have gradually become procedure. Along with the fundamental advantageous aspects, there are also a fairly large number of difficulties such as the imbalance between funds and goods and between supply and demand, negativism in society, etc. which have had no small effect on the business and management quality of the sector. The home trade sector itself has failed to promptly change in the face of the strong changes in the economy and still does not have sufficient systems and methods applicable to the new business mechanism, both to promote the expansion of business and to strengthen management while resisting negative indications. Faced with this situation, strengthening investigation and inspection activities and orienting these activities toward support of the need to restore order in the distribution and circulation sector, protect property and protect the ranks of the sector are a critical requirement.

During the past 2 years, 3,032 investigations and inspections have been held in central corporations and 23,096 in local commerce fields, initially recovering for the state more than 17 million dong in misappropriated property and goods. Unit people's inspection committees (previously known as worker's inspection committees) alone discovered 11,166 misappropriations of socialist property. Of greater importance, many loopholes in management and plots by bad elements to misappropriate socialist property were discovered through these inspections and, as a result, corrective methods were taken and appropriate management regulations and systems were established to halt the occurrence of similar negative aspects. Business and management have changed. Conditions of chaotic trade competition, price inflation and pursuit of simple profit have been gradually overcome. Many units have established specific management provisions and regulations such as warehouse openings and closings, depletion norms in transportation, gasoline and oil norms, etc.

Nevertheless, negative indications in general are still widespread in the commerce sector with serious incidents in some locations. Plots to misappropriate socialist property in some places have been blatant but in some places extremely ingenious. Although the number of incidents has declined, the losses have been great with some amounting to millions of dong. Besides those directly misappropriating funds and socialist property, there are also corrupt and conniving bookkeepers and even chief accountants using their profession to misappropriate thousands of dong. There have also been many cases of collective corruption in sales elements and even an entire precinct, district or many stores have connived to engage in corruption.

Consequently, in conjunction with strengthening education and disseminating good examples and advanced models, investigation and inspection operations must be strongly promoted in order to restrict negative aspects, considering the inspection organizations as an effective tool of the state and simultaneously a form for the masses to achieve their collective ownership rights.

The conference set forth the course and mission for the near future:

Inspection of goods source organization: investigate the signing of work and marketing contracts; give attention to establishment of norms for raw material attrition, prices and quality; and resist indications of creating difficulties for production, conniving with bad elements to raise norms and prices, and accepting inferior goods. Investigate the signing and accomplishment of two-way economic constructs in the purchase of agricultural products and food, give attention to two-way liquidation of funds and goods for the people, assure the confidence of the people, strengthen the industrial-agricultural alliance, and resist class and price pressure and the use of commodity purchase funds for other purposes. Investigate shipping, receiving and transportation to resist goods theft and substitution. Investigate the protection and maintenance of goods in warehouses and storage areas.

Inspect the support of daily activities with concentration on organizing distribution of the nine commodities supplied at the precise amount, quality and time to workers, public servants and the armed forces. Investigate the service attitude and spirit of trade members, promote the movement to build model stands and stores, uphold commercial civilization and uphold the quality of service to the customer.

Inspect all management aspects: the use of funds and the ranks of accountants and warehouse custodians.

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CSO: 4209/422

MILITARY AFFAIRS AND PUBLIC SECURITY

BRIEFS

HO CHI MINH CITY CONSCRIPTION--On 15 August various precincts and districts of Ho Chi Minh City held a send-off ceremony for thousands of youths who were about to leave for induction into the Army. This is the second phase of this city's conscription; the first was completed earlier with the set plan norm achieved. [Summary] [BK231549 Hanoi Domestic Service in Vietnamese 0000 GMT 20 Aug 84]

BEN TRE PEOPLE'S COURT--The people's court of Ben Tre Province recently sentenced (Phan Van Thanh) and (Pham Tin Dao) to death, and their accomplices to 8-20 years' imprisonment. These culprits were arrested in January 1984 when they illegally hired a boat to transport prohibited goods from Hau Giang Province to Ho Chi Minh City to sell to dishonest merchants. When discovered by the people and public security force, they fought back and fired guns at the authorities. [Summary] [BK231549 Hanoi Domestic Service in Vietnamese 0500 GMT 18 Aug 84]

CSO: 4209/442

INTERNATIONAL RELATIONS, TRADE AND AID

CZECHOSLOVAK ENVOY PRESENTS MICROPROCESSOR TO VNA

OW041822 Hanoi VNA in English 1509 GMT 4 Sep 84

[Text] Hanoi, 4 Sep (VNA)--Czechoslovak Ambassador Extraordinary and Plenipotentiary to Vietnam Bohuslav Handl handed over here today to Vietnam News Agency a set of micro-processor of information, a gift from the Czechoslovak News Agency CTK.

The director general of Vietnam News Agency, Dao Tung, expressed heartfelt thanks to CTK and expressed his wish for further development of the friendship and militant solidarity between Vietnam and Czechoslovakia, and between VNA and CTK more particularly.

Speaking on the occasion, the Czechoslovak ambassador said: "The party, government and people of Czechoslovakia, now and in the future, too, resolutely support Vietnam's socialist construction and national defence against imperialism and Beijing expansionism and hegemonism, in the interests of Vietnam and Czechoslovakia and the whole socialist community. Since early 1984 CTK has, together with the Soviet news agency TASS and the ADN of the German Democratic Republic, helped VNA in training computerized telecommunications engineers and technicians. It is the first socialist news agency to provide VNA with a set of micro-electronic processor of information.

Besides, the Czechoslovak News Agency has helped VNA's engineers and technicians devise a computerized word pattern of the Vietnamese language for use by VNA's telecommunications service.

CSO: 4200/1016

INTERNATIONAL RELATIONS, TRADE AND AID

GDR-ASSISTED REHABILITATION CENTER INAUGURATED

OW011105 Hanoi VNA in English 0722 GMT 1 Sep 84

[Text] Hanoi, 1 Sep (VNA)--A rehabilitation centre built with the GDR's assistance in equipment and technology was inaugurated yesterday on SonTay town about 40 kms west of downtown Hanoi.

The inaugural ceremony was attended by Song Hao, member of the Communist Party of Vietnam Central Committee and minister for disabled soldiers and social affairs; Kurt Seibt, head of the SED Central Control Commission and president of the GDR Solidarity Committee, and GDR Ambassador Hermann Schwiesau.

The centre which started building in 1972 as a gift of the GDR made through collections by the people in the GDR to help relieve the aftermath of the American War in Vietnam. It consists of three sectors: the orthopedic workshop, the fitting workshop and the medical treatment ward, the two former sectors having been completed and put into operation a few years ago.

The orthopedic workshop includes three departments: engineering, carpentry and wheelchairs. Each year, it can make 15,000 semi-finished products such as part of wheelchairs, artificial limbs and orthopedic instruments.

The fitting workshop can provide aids to 2,000 disabled persons each year.

The medical treatment ward which has just been completed is housed in a four-storey building covering 4,000 square metres with 100 well-equipped rooms.

The rehabilitation centre also has a school to train rehabilitation workers. It has so far trained 200 students for various centres in the country.

In recent years the centre has regularly sent its personnel for training and practice in the GDR.

The centre will cater for disabled soldiers and war invalids in the 11 northern provinces, supply orthopedic instruments to other centres and train rehabilitation workers in the whole country.

CSO: 4200/1016

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

SWEDISH PARLIAMENTARIANS IN HANOI--Hanoi, 5 Sep (VNA)--A delegation of the Swedish Parliament Commission for External Affairs led by Sture Korpas, M.P. of the Central Party and vice-president of the commission, arrived here today on a friendship visit. The Swedish guests were welcomed at the airport by Prof Hoang Minh Giam, member of the Vietnamese National Assembly's External Relations Commission; Tran Quang Sung, vice-minister of light industry; and other officials. Swedish Ambassador Nils Ostrom and S.I.D.A. representatives in Vietnam were present. [Text] [OW052226 Hanoi VNA in English 1555 GMT 5 Sep 84]

BULGARIAN AMBASSADOR'S PRESS CONFERENCE--Hanoi, 5 Sep (VNA)--Bulgarian Ambassador Filip Markov held a press conference here today on the occasion of the 40th National Day of the People's Republic of Bulgaria. Dao Tung, general secretary of the Vietnam Journalists' Association, and representatives of the Commission for Propaganda and Training and the International Department of the Communist Party of Vietnam Central Committee, and the Ministry of Foreign Affairs, attended the conference. In his speech, Filip Markov spoke of the great significance of the anniversary and the substantial achievements obtained by the Bulgarian people during the past 40 years. On the Bulgarian-Vietnamese relations, he said: "The Bulgarian people always stand by the side of the Vietnamese people and reserve for them an effective support and assistance in their socialist construction and in the struggle to defend their sovereignty and territorial integrity." [Text] [OW052220 Hanoi VNA in English 1552 GMT 5 Sep 84]

POLAND REAFFIRMS SOLIDARITY, SUPPORT--Hanoi, 2 Sep (VNA)--"The tradition of long and heroic struggle for national independence and freedom and common goals have bound the Polish and Vietnamese peoples together," M. Milewski, Political Bureau member of the Polish United Workers' Party [PUWP], told Vietnamese ambassador to Poland Nguyen Trong Thuat, in Warsaw on 29 August. M. Milewski, who is also a member of the secretariat of the PUWP Central Committee, said he highly valued the substantial achievements obtained by the Vietnamese people in healing the wounds of war and rebuilding their country. He said at a reception given to the Vietnamese diplomat: "The Polish people understand the difficulties the Vietnamese people have to overcome and believe that success will belong to them." He reaffirmed the close solidarity and strong support of the party, government and people of Poland to the Vietnamese people's national construction and defence. [Text] [OW021956 Hanoi VNA in English 1542 GMT 2 Sep 84]

FRG DONATION--Hanoi, 1 Sep (VNA)--The West Berlin-Vietnam Friendship Association recently presented a quantity of medicines worth 15,228 D.M. (West Berlin currency) to the obstetric hospital and the children's hospital No 2 in Ho Chi Minh City. The gifts were handed over to the hospitals by Mrs Ursula Nguyen, a citizen of the Federal Republic of Germany, and her husband, Nguyen The Phiet, a Vietnamese resident in West Berlin, during their visit to Ho Chi Minh City. The West Berlin-Vietnam Friendship Association was set up recently with the participation of many German people. [Text] [OW012126 Hanoi VNA in English 1707 GMT 1 Sep 84]

SOCIALIST COMMUNITY PHOTO EXHIBITION--Hanoi, 1 Sep (VNA)--A photo exhibition on "the socialist community" was opened in the central province of Quang Nam-da Nang Friday by the Culture and Information Service of the branch of the Vietnam-USSR Friendship Association in the province. This is the third locality in Vietnam to organize this exhibition after Hanoi and Ho Chi Minh City. Tran Dinh Dam, acting chairman of the Provincial People's Committee, and the Soviet General Consulate to Province, cut the inaugural ribbon. [Text] [OW012126 Hanoi VNA in English 1558 GMT 1 Sep 84]

HEALTH MINISTER IN INDONESIA--Hanoi, 24 Aug (VNA)--Minister of Public Health Dang Hoi Xuan today left Jakarta ending an official visit from 20 August made at the invitation of his Indonesian counterpart, Suwarjono Suryaningrat. While there, the Vietnamese minister had working sessions with his host and toured several research and experimental establishments of the medical service in various localities. [Text] [OW242004 Hanoi VNA in English 1538 GMT 24 Aug 84]

FRG, GDR MEDICAL AID--Hanoi, 23 Aug (VNA)--The Red Cross of the German Democratic Republic has decided to send a cargo including 36 packages of medicine as aid to the Vietnamese people. The Red Cross in Bayej Region of the Federal Republic of Germany had also decided to present Vietnam with 350,000 D.M. worth of medicine and medical appliances. [Text] [OW251938 Hanoi VNA in English 1509 GMT 25 Aug 84]

EXHIBIT ON ROMANIA--Hanoi, 29 Aug (VNA)--An exhibition titled "Romania--40 Years of Big Achievement" was opened here today by the Ministry of Culture on the occasion of the 40th National Day of the Socialist Republic of Romania. Present at the inauguration were Nongquoc Chan, vice minister of culture, Le Mai, assistant to the foreign minister, Ambassador Constantin Potinga and staff members of the Romanian Embassy. The exhibition introduces the coordinated fight of the Romanian people and army and the Soviet Red Army to liberate Romania from Nazi occupation, the birth of the Romanian socialist state, and the big achievements recorded by the Romanian people over the past 40 years under the leadership of the Romanian Communist Party. [Text] [OW292001 Hanoi VNA in English 1502 GMT 29 Aug 84]

SOVIET AID--Hanoi, 30 Aug (VNA)--Workers at the Pha Lai Thermo-electric Power Plant built with Soviet assistance 60 kms northeast of Hanoi have completed the installation of the second generator unit with a capacity of 100 mws. One of its boilers has been put on trial operation and the unit is expected to join the national grid early next month. The first generator unit of the

same capacity was commissioned nine month ago. The third and fourth are being installed and scheduled to be completed in 1985 and 1986 respectively. [Text] [OW301730 Hanoi VNA in English 1458 GMT 30 Aug 84]

CHILDCARE FACILITIES--Hanoi, 30 Aug (VNA)--Over the past eight months, 152 creches were built throughout Vietnam at a cost of 8.5 million dong. Another 1,107 millions have been spent on equipment. Six creches funded by the International Union for the Protection of children (UIPE) will be built soon. During the same period, the creches received 500 tons of nutritious powder from the baby food mill funded by the UNICEF. Vietnam now has 39,000 creches caring for 128,000 children and staffed by 152,700 attendants. Conferences to review creche work are being held in all parts of the country in preparation for a national conference early next year. [Text] [OW301730 Hanoi VNA in English 1500 GMT 30 Aug 84]

KAMPUCHEA-VIETNAM FRIENDSHIP--Hanoi, 30 Aug (VNA)--A film show was arranged here today in honour of the 5th anniversary of the Kampuchea-Vietnam Friendship Association (KVFA) (1 September). Present on the occasion were Nguyen Huu Dung, vice president of the KVFA, Kampuchean Ambassador Sieng Saran, and others. Speaking before the screening, Nguyen Huu Dung spoke highly of the achievements of the KVFA in the past five years which he said, have contributed to the development of the special friendship between the two peoples. [Text] [OW301730 Hanoi VNA in English 1512 GMT 30 Aug 84]

CHINESE PRISONER RELEASE ANNOUNCED--Hanoi, 30 Aug (VNA)--On the occasion of the Vietnamese National Day (2 September) and the Chinese National Day (1 October) the Vietnamese Government has decided to release 19 Chinese who had been captured while intruding into Vietnamese territory. This was notified by a representative of the China Department of the Vietnamese Foreign Ministry at his meeting with a representative of the Chinese Embassy here today. [Text] [OW301516 Hanoi VNA in English 1508 GMT 30 Aug 84]

SOVIET PASSENGER AIRCRAFT--The Vietnam Civil Aviation General Department recently held a ceremony to receive three TU134-B passenger aircraft provided by the Soviet Union. This aircraft has a higher capacity than the model TU134-A. Its control System is completely automatic, permitting easy and accurate landings. Its passenger and hostess compartments are equipped with all necessary facilities and beautifully decorated. The three aforementioned aircraft have been put into operation. [Summary] [BK231549 Hanoi Domestic Service in Vietnamese 1300 GMT 22 Aug 84]

AUSTRIAN, INDIAN AID--The Austrian-Vietnamese Friendship Association recently sent to Vietnam 100,000 schillings to help the Vietnamese people. The Indian-Vietnam Friendship Association announced recently that it is collecting donations of medical equipment and medicine for Vietnam and that, if asked by Vietnam, the association will assign a voluntary medical doctor team to help the Vietnamese people and troops in the northern border areas. [Summary] [BK231549 Hanoi Domestic Service in Vietnamese 0400 GMT 23 Aug 84]

CSO: 4200/1016

PARTY ACTIVITIES AND GOVERNMENT

NGUYEN VAN LINH ADDRESS TO HO CHI MINH CITY YOUTH CONGRESS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 1 Jul 84 pp 1, 3

[Speech by Nguyen Van Linh, member of the Party Central Committee and secretary of the Ho Chi Minh City Party Committee, at the 3rd Ho Chi Minh City Congress of the Delegates of the Ho Chi Minh Communist Youth Union on 30 June 1984: "You Will Be Forever Young If You Cultivate Noble Ideals and Maintain the Lifestyle and the Way of Thinking and Acting of the New Youth"]

[Text] Dear members of the Presidium,

Dear delegates, Youth Union members and members of the Teenagers' and Children's Units,

Dear comrades,

Today, the Ho Chi Minh Communist Youth Union of the city holds its third congress of delegates amidst an atmosphere of youths directing their thoughts toward the heroic northern border, making every effort to emulate and record achievements in celebration of the major holidays of 1985 and excitedly welcoming the soldiers of the Vietnamese Volunteer Force who recently returned home, having excellently fulfilled their glorious international obligation in Kampuchea. On behalf of the city party committee, I extend a warm and confident greeting to the congress, to the youths of the city. With the congress of delegates of the city party organization having already been held, this Youth Union congress of yours provides an opportunity for youths to concentrate their intelligence and energies, restructure their ranks and organize their forces for new battles. My wish for you is that you leave this congress with greatly increased intelligence and a more unified will so that you can conquer many new heights in the effort to achieve the major goals set by the 3rd Congress of Delegates of the city party organization for the sake of the happiness of youths, the happiness of the people.

On this occasion, I would also like to extend warm greetings to the delegation from the Kampuchean People's Revolutionary Youth Council of the city of Phnom Penh. To Vu Mao, member of the Party Central Committee and 1st secretary of the Central Committee of the Ho Chi Minh Communist Youth Union, I extend the city's sincere thanks for the guidance and thoughtful concern of the Youth Union Central Committee for the city's youth movement. In addition, allow me

to extend the warmest of greetings to the Youth Union delegations from the capital Hanoi and the neighboring provinces.

Dear comrades,

Let us look back on the course we have followed, not just during the past 3 years, but the past 9 years, from the day that this city and the entire South were completely liberated and the reunification of the fatherland was completed. It brings great joy to see that the youths of the city have upheld the precious tradition that has been theirs ever since the party emerged and began providing leadership more than one-half century ago: it is the tradition of being ready to become involved and serve as the shock force in the revolutionary action movements of the masses and continuously promote the development of movements despite all difficulties and challenges. In one year after another, the various movements launched by the Youth Union have, for the most part, been closely linked to the political tasks of the city, in general, and involved kinds of activities suited to the youths participating in these movements and to the different sectors and trades. In production and business, the economic returns from the movements that have been launched have also made positive contributions to the fulfillment of higher plan norms with each passing year. The separate movements for young workers, such as the emulation movement to complete plans early, the skill training and testing movement, the movement to make innovations and technological improvements and the socialist emulation movement, have spread to each and every circle of youths. For example, among rural youths, there are the movement to exceed contract quotas, the model field and high yield field movement and the movement to earn the title of expert in water conservancy, the planting of trees and the production of organic fertilizer; among assault youths, there is the movement to clear land and begin operating in a manner that yields economic returns; among the youths within the commerce sector there is the movement to improve the quality of service and combat negative phenomena and the movement to carry out transformation and restore the new order within distribution and circulation; there are the movements to maintain order and security, join the army and fulfill our international obligation; within the wards, there is the shock youth movement; and, within the fields of education, public health, culture, literature and art, physical culture-sports and so forth, there are intense emulation movements for all youths. For teenagers and children, there are the small plans movement, the Tran Quoc Toan movement, the movement to earn a bouquet of flowers for the 10th point and, in commemoration of the 30th anniversary of the victory of Dien Bien Phu, there are the "I'm a Dien Bien soldier" and the "march in the footsteps of the heroes" emulation movements, which have exerted widespread influence within the schools, wards and hamlets. The continuous and spirited movements mentioned above have been and are helping to create a bustling pace of life in the city, helping the city to undergo change in every area and giving birth to truly remarkable new individuals, collectives and strata of persons. Whereas, in the war of resistance against the United States for national salvation, we often said that you could "meet a hero on every street corner," today, in every field and everywhere we go, if we meet persons who have a feeling for the new, who know how to cultivate the new and who respect the beginnings of that which is new, we also meet devoted, self-sacrificing, diligent and patient persons who have made numerous innovations to solve difficulties in

production, in distribution and circulation and eliminate inertia and conservatism in management, persons who, although not yet in the majority, are making life beautiful.

In the emulation movement to complete plans early, more than 100,000 young workers have become the masters of production through their achievement of exceeding their plan quotas. Participating in the tens of thousands of large and small youth projects are tens of thousands of skilled young workers, thousands of agricultural champions, thousands of experienced assault youths and tens of thousands of "Dien Bien soldiers." The name Tran Thi Be Bay, a golden manual worker for 5 consecutive years, has become very well known within the city. Be Bay heads a growing list of young workers who have broken productivity records. Besides the skilled young workers, the agricultural champions, the skilled young state store personnel and the skilled young teachers are young, zealous and competent management cadres. These include La Thiet Quynh, Nguyen Van Tri, Bui Van Le, Vuong Bang Khai, To Thi Thanh Nga and others. Within the armed forces and the security forces, through the challenges of training, combat and work, sons and daughters of our city, such as Le Hoang Son, Doan Thi Anh Tuyet, Duong Minh Ngoc and others, have emerged as heroes. The emergence of this new stratum is of profound significance from the standpoint of succession. Upon the foundation that is today's stratum of energetic and dynamic youths, we both hope and are confident that youths will carry on the revolutionary cause of their fathers and older brothers in a worthy manner. This stratum of youths represents the first harvest of flowers from the city's garden of socialism. We recognize and sympathize with the patient and frequently very arduous efforts made by each person in his or her struggle and the fully dynamic and creative care provided by the basic organizations of the Youth Union, by the party chapters as well as the love and responsibility displayed by adults, by the family. On behalf of the city party committee, I wholeheartedly praise these splendid efforts and achievements, wholeheartedly praise these new persons and collectives of new persons, these young collective masters of the city.

Dear comrades,

Under the light of the resolution of the 5th Party Congress, the city party organization congress of delegates devoted an important portion of its resolution to discussing the work of the Ho Chi Minh Communist Youth Union in the years ahead. The specific work of the Youth Union is closely associated with the two strategic tasks of building and defending the socialist fatherland, with the three revolutions, with the struggle between socialism and capitalism, with the struggle between ourselves and the enemy. I am quite happy to see that you have dealt with these matters in rather clear detail in the report of the executive committee of the city Youth Union and in the draft resolution of this congress and that many delegates have voiced a wide variety of opinions concerning them during the congress. Today, I would like to raise the following several points with the congress and the youths of the city.

Dear delegates,

To begin with, I want to raise with the congress a question which I think is pressing in nature, that is, do youths see themselves as successors and are

they ready to take the place of their fathers and elder brothers? To be able to properly fulfill their role as successors, how must they cultivate the new lifestyle and to which kind of organization should they commit themselves? What must youths do to become the shock force and take the lead in socialist construction and the defense of the socialist fatherland?

As I said earlier, the city party committee has taken note of the very splendid achievements that the corps of successors has recorded in building the new system and molding the new man. However, these must be seen as initial, very limited achievements that do not meet the demands of the new stage of the revolution. The majority of youths, Youth Union members included, have yet to be sufficiently prepared ideologically or organizationally to take the place of their fathers and elder brothers. This is a weakness in the political-ideological educational effort and the organizational work of the Youth Union because we have failed to keep pace with the requirements of the developing situation. We must attach full importance to establishing communist ideals among youths. Without proper ideals, without a proper lifestyle, how are proper feelings and correct actions possible? The ideals of youths now must be patriotism, patriotism closely associated with love of socialism, with thoughts toward the most noble ideals of our times, communist ideals. These ideals have no other purpose than to build a classless society without exploitation and social oppression. In the immediate future, the youths of society must "work and fight together for the development of the social community so that everyone is well fed and well clothed and enjoys a happy and wholesome life, a life of equality and concord, a life lived in free labor, love and justice, a life in which everyone is able to fully develop his or her individuality, talents and aptitudes within a relationship of harmony among the individual, the family and society."(1)

In the city's present situation, the enemy, in collaboration with backward elements, is making every effort to disorient youths and teenagers through arguments such as "it serves no purpose to live by ideals, take care of yourself first, nothing can be accomplished regardless of how active you are" and through a pleasure-seeking, decadent lifestyle. It is regrettable that more than a few young persons have been pursuing these selfish interests and are divorced from, are indifferent toward the ideals of communism, which also means that they lean toward or have been corrupted by a lifestyle that is a mistake, that runs counter to the progress of the nation, of society. Everyday life is still very hard: many persons still do not have sufficient food, clothing or shelter or stable jobs. At a time when many young persons, in the spirit of ardent patriotism, stand ready to shed their blood on distant battlefields or are enduring the elements to work in fields, in mountainous forests and at sea, are working hard within enterprises, are engrossed in their work within the laboratory, are wholeheartedly serving their pupils, their patients, are devoting their artistic talents to serving their compatriots and so forth, why is there still a stratum of persons who indulge in luxurious living, who are too lazy to work, who live the life of parasites, who sell their consciences cheaply and do things that are illegal? We must help young persons adopt a correct attitude, the attitude of detesting a life of luxury lived on the basis of the sweat and tears of one's compatriots; at the same time, young persons must respect, must love the manual and mental

laborers who produce material and spiritual wealth for society. On this basis, we must gradually enlighten young persons to the ideals, the beautiful lifestyle of the new society, to the significance of genuine happiness developed through labor, through love and through gradually becoming the master of society, the master of nature, the master of oneself. Ideals and happiness must be given specific meaning for each category of youths. As regards young workers, we must help them see the pivotal role they play in developing production and in the struggle to carry out socialist transformation and socialist construction and develop among them class consciousness and awareness of the historic mission of the working class. As regards young farmers, we must clearly show them the close relationship that exists between communist ideals and participating in cooperativization, establishing the new production relations, building villages and hamlets that are socialist in every respect and develop among them awareness of the alliance of workers and farmers, of the role played by workers and farmers as the main forces within the revolution. As regards the youths working within small industry and the handicraft trades, we must help them see the nature of employer-employee relations, see the direction in which collective production is headed and distinguish between the immediate and the long-range material interests of the laborer in order to cultivate the correct, true attitude toward labor and the attitude of being fully responsible for the product one produces. As regards the young persons within the commerce sector, we must teach them the concept of developing socialist commerce, combating negative phenomena and insuring that socialist commerce supports the production and daily life of the laboring people well. As regards young persons who are still in school, we must cultivate among them the correct ambition and dream of becoming good laborers in terms of both mental labor and manual labor. As regards young intellectuals, we must cultivate among them a strong desire to become deeply involved in science and technology, to support economic construction, the building of society and the defense of the fatherland with the full measure of their intellects. At each position and within each field of society, the Youth Union must help young persons define their ideals and the specific actions they should take in a manner closely associated with the social role and position of each stratum and class within the socialist revolution.

Consciousness of communist ideals must also be expressed in awareness of lifestyle, of the socialist lifestyle.

The new youth must not only know how to work in a productive, efficient manner that reflects high quality, learn well and so forth, but also know how to live a beautiful life, that is, how to create a beautiful society. What, in terms of lifestyle, does living a beautiful life mean? Within socialist society, the relations between one person and another are based on equality, mutual respect and the ethic of "one for all, all for one." The youth who lives a beautiful life must first be someone whose livelihood is one of legitimate labor, who maintains the proper relationships concerning love within the family, who is loyal to his friends and comrades and wholeheartedly helps them make progress and who fully understands the rights and obligations of the citizen within a civilized society, respects the fine customs of the nation and, in particular, lives in a manner that conforms with sentiment and duty and displays love of the young, respect for elders and respect for women. A

beautiful life demands that youths know how to use their idle time in the most productive manner possible in order to meet the needs of a cultured, rich life. We also must recognize the need for cultural life to be closely linked to material life, but material shortages absolutely must not limit the richness of cultural life. In many cases, by knowing how to provide for a rich cultural life, rich in terms of both enjoyment and creativity, we can help reduce the strains in everyday life caused by material shortages.

In the organizing of cultural life on the basic level, the cultural halls, clubs and other material bases, such as theaters, halls or outdoor theaters, reading rooms, libraries, museums, athletic fields and so forth, play a very large and indispensable role. The Youth Hall of Culture has been and is performing much good work and attracting large numbers of youths and teenagers to cultural, literary, artistic, physical culture and sport activities and beneficial gains and forms of recreation; however, it has yet to fully develop its strengths and powerful potentials in order to expand the various types of activity that attract youths and can cultivate and enhance the knowledge and creative capabilities, the tastes and aesthetic ideals of youths. I would like to take this occasion to remind the city Youth Union and the Youth Hall of Culture of the need to plan ways to better support the cultural life of youths on the basic level, especially within the worker sections of the city, in the city's rural outskirts and in the new economic zones. In particular, much more concern and attention must be given to the city's Teenager and Children Hall of Culture and the Teenager and Children Cultural Halls and Clubs of the precincts and districts.

We have made many efforts to transform and develop the city from a pleasure-seeking, decadent city that served those who were in rule and the exploiters into a productive city, into a city of laborers that serves the laboring people. In the days ahead, we must make well coordinated and comprehensive investments of minds and material and receive the active participation of Youth Union members and youths in order to develop for the city the appearance and daily life of a wholesome, working city that has a more diverse and richer cultural life, not a daily life such as the one that the city knows now, an impoverished and monotonous daily life, a daily life which, at some times and places, is still characterized by having a good time and a lack of wholesomeness.

Dear comrades,

Another question that I wish to raise with the congress and the youths of the city is: what plans has the Communist Youth Union made and what guidelines has it adopted for the youth movement of the city in the years ahead in the face of the large tasks set by the 3rd City Party Organization Congress? In your reports, you have answered my question concerning the guidelines debated by the congress. I am in full agreement with the various movements you have proposed; however, I also want to emphasize the need for one additional assault that the Communist Youth Union must successfully make, an assault that must take the form of an intense, widespread and well established movement throughout the city in 1984 and 1985. It is the productive labor movement, the movement to provide jobs to more than 200,000 persons who do not now have stable jobs, the majority of whom are youths. To succeed in this effort, our

city can take the following steps: first, it can encourage unemployed youths to take jobs in small industry and handicraft production; secondly, it can mobilize youths to go to the state farms of Duyen Hai, Dau Tieng, Dac Nong, Tri An and so forth with the intensity of spirit that characterized assault youth movements during the years following liberation.

We must actively educate youths who are idle and waste time, sell products at outdoor markets, steal and earn their livings by other illicit means and encourage them to participate in revolutionary action movements, participate in production. If they refuse, we must transform them into good citizens through compulsory labor.

During the memorable hours of this congress, I especially want to remind you to keep uppermost in your mind the speech made by General Secretary Le Duan from this very forum to the representatives of Vietnamese and Soviet youths during the fifth meeting of Vietnamese and Soviet youths in the spring of 1983, in which he offered the following words of thoughtful advice: "Let youths 'live and fight, work and study in the example set by the great Uncle Ho,' live a wholesome, pure and noble life, perform their work with enthusiasm, study diligently and acquire the full character and ability to be the masters of themselves, the masters of society, the masters of nature." With the deepest love for youths, the general secretary said: "Wherever the fatherland needs them, youths must be there, must raise their voices in optimistic singing and be the cause of more new feats of arms of revolutionary heroism with each passing day." Are you ready to do this?

Dear comrades,

In order to be fully capable of successfully performing the tasks set by the congress, the Youth Union must assemble virtually all youths within its organizations, strengthen its organization and make its forces strong enough to serve as the nucleus guiding the action movements of youths.

During this congress, I hope that you become aware of both the strengths and the weaknesses of the city Youth Union in organizing and rallying youths.

The city Youth Union must quickly correct its slowness to take action and propose suitable organizations designed to widely assemble the various strata of youths within the city. Youths must be brought back together to many different degrees and through many interesting, diverse activities. Besides organizations of a political nature, much more attention must be given to assembling youths by means of useful, wholesome activities that are in line with the psychology and age of youths. On holidays and Sundays, I see very large numbers of youths going to the outskirts of the city, to the seacoast to relax and enjoy themselves. Organized in groups and travelling on bicycles and motorbikes, they are all very enthused and happy. Does the Youth Union participate in organizing these activities? Or are they mainly spontaneous? And, what about organizing night classes, modern language classes and vocational classes? All of these matters require the assistance of the Youth Union so that these activities are properly oriented and truly interesting to youths. And, will not the ability of the Youth Union to assemble youths be increased through these activities?

As regards the quality of the Youth Union organization, why is the city Youth Union still not strong enough even though it has nearly 150,000 members? In my opinion, there are two reasons: first, because the structure of the organization is irrational and, secondly, because the quality of Youth Union members is not uniform.

As regards its structure, the Youth Union has made extensive efforts over the past several years to meet the demands for the presence of Youth Union members within various sectors, such as small industry and the handicraft trades and distribution-circulation (which encompass state-operated and cooperative commerce, the tax, finance and banking sectors, the market management sector, the foreign trade sector and so forth); however, results are still being recorded slowly compared to requirements. In my opinion, the cause is fragmented, poorly focused guidance and a lack of coordination among the teaching of ideology, the launching of action movements and organizational work. As a result, there are still many skilled, young workers on the city, district and precinct levels who are not Youth Union members. And, one point that must be stressed is that the Youth Union does not yet have a broad base in the countryside.

As regards the quality of Youth Union members, a Youth Union inspection conducted in one district in which there are 2,400 Youth Union members showed that as many as one-third of them do not have a clear understanding of the nature of the socialist system and still have a vague understanding of the enemy. I have been informed that this district is one in which the district party committee and district Youth Union have focused efforts on guiding basic education. And what is the situation in the other districts and precincts? There is no better way to correct the lack of uniformity in the quality of Youth Union members than to regularly train and strengthen new Youth Union members in a concrete and very practical way. Besides this, every effort must be made to avoid growth based on norms on the number of Youth Union members in order to record achievements. Every norm must be met through steadfast propaganda and educational efforts, with responsibility assumed for the political awareness and revolutionary sentiments of each Youth Union member. To improve the quality of Youth Union members, it is also necessary to give full attention to the work of guiding Youth Union chapter activities. Youth Union chapter activities that are conducted regularly, are rich in content, high in militancy and interesting provide a good school for improving the quality of Youth Union members. To achieve this, foremost importance must be attached in cadre training to the training of chapter secretaries. Training in basic theory combined with training in work experience through the study of model units are extremely necessary. The upper level of the Youth Union must provide more detailed guidance of Youth Union chapter activities within each sector and during each period of time so that these activities are truly practical and appropriate.

Dear comrades,

Looking farther ahead, the foundation underlying the organizing, assembling and building of the forces of youths is educating and caring for teenagers and children well. The action movements in which the Youth Union guides children must be oriented toward the essence of the matter, building social

consciousness and cultivating the new man. It is necessary to respect the sincerity and fully uphold the honor of the members of the Vanguard Teenagers' Unit. Work among teenagers and children is very difficult work and demands that the person in charge set very good examples. For this reason, the Youth Union must put outstanding, exemplary cadres in charge of teenagers and children and boldly replace those comrades who lack zeal and whose personal qualities are less than they should be.

Dear comrades,

In view of the facts that youths are the corps of successors, that the Youth Union is the arm and reserve unit of the party, you must take very positive actions to forge outstanding Youth Union members, introduce them to the party and continue to assist and train young reserve party members. This is work that the Youth Union must perform by taking the initiative, not by waiting for the "assistance" of the party committee. It is work that must be performed on a regular basis, not in sporadic phases. Selecting outstanding activists from within the socialist emulation movement for training and introduction to the party is the method best suited to the Youth Union. During the 3 February to 30 April phase of accepting new party members from the Nguyen Van Cu class, nearly 69 percent of the total number of new party members were members of the Ho Chi Minh Communist Youth Union. Although it is not as high as it could be, this is an encouraging percentage. I wholeheartedly praise these new efforts of the Youth Union.

Dear comrades,

I also want to take this opportunity to remind the party committee echelons and the various levels of government to take greater responsibility for the Youth Union and the young people of the city. The 5th Congress once again asserted: "Our party always recognizes that the mobilization of youths is of special importance. It is an issue of strategic significance to the revolution, is the responsibility of the entire dictatorship of the proletariat system."(2)

The 3rd Congress of Delegates of the city party organization pointed out: in order to improve the leadership ability and increase the fighting strength of the party organization, every effort must be made to build the party and the Ho Chi Minh Communist Youth Union. This is a factor that guarantees the successful performance of the tasks set by the congress. To build the Youth Union in the present situation, we must help it to "improve the forms and methods it employs to organize, propagandize and educate youths so that they are consistent with the new situation and tasks, with the special characteristics of this age group and the new needs of youths and promptly thwart the schemes and acts of sabotage of the enemy against youths. Political education must be closely linked to showing concern for and resolving the specific problems regarding the rights and the material and cultural lives of youths."

The various party committee echelons and levels of government must correctly evaluate the position of youths and assume the responsibility for guiding, assisting and comprehensively training their successors. The following

principle must be restated: the various party committee echelons directly lead the Communist Youth Union; therefore, they must have a full understanding of and implement the resolutions and directives of the party regarding the mobilization of youths, must clearly understand the requirements involved in the development of the Youth Union and must know the capabilities and prospects of youths so that they can boldly assign jobs to youths, assist them in this work and gradually improve the ability of the Youth Union to organize and take action. All sectors and levels must consider the training of the young generation to be an important activity, one that reflects the degree of foresight and the sense of responsibility of the sector and society.

In order to create the conditions for the organizations of the Youth Union to operate better, we must correctly implement the policies and regulations concerning Youth Union cadres. Careful consideration must be given to decisions to transfer cadres who specialize in Youth Union work to jobs of an unforeseen nature, thereby affecting the activities of the Youth Union.

Recently, during a visit to Binh Thanh, I was glad to learn that the district party committee and the party chapters within the subwards have given their attention to the work of the Ho Chi Minh Communist Youth Union. I asked a number of comrades on the executive committee of a subward Youth Union chapter: if the upper level transferred all party members within the subward to other assignments, could Youth Union members take the initiative and carry on this work? They all shook their heads! Why do Ho Chi Minh Communist Youth Union chapters on the basic level lack this sense of initiative? The reasons are many; however, I want to point out the reason that is most important, namely, the fact that party chapters and party members do not see what their full responsibility is and have not looked for every way to help the chapters and members of the Ho Chi Minh Communist Youth Union perform their work on their own with full consciousness of their right to be collective masters.

Uncle Ho gave constant thought to youths and explained that he loved youths very much for the following reasons:

--Because youths bring renewed revolutionary vigor to the former generations of youths and are, at the same time, in charge of guiding the future generation of youths--that is, children.

--Because youths are the assault force in economic and cultural development, in socialist construction.

--Because youths are the basic force within the armed forces, the public security forces and the militia and self-defense forces that are enthusiastically maintaining order and security and defending the fatherland.

--Because, in every job they undertake, youths emulate to implement the slogan "youths go wherever they are needed and perform whatever job is difficult."

Learning from Uncle Ho, the party committees, governments and mass organizations on the various levels must adopt plans for providing jobs and looking after the material and cultural lives of the youths, teenagers and children of the city, including the victims of the old system and the persons

who still live on the fringe of the new society. Agencies must adopt practical plans for supporting the communist youth projects, the youth science and technology councils, the competitions to test manual skills, the youth inspection units and so forth in order to create the conditions for the youth movement to develop strongly in all fields of production, distribution-circulation, work, learning, security, national defense and material and cultural life, within all areas of the inner city and its rural outskirts, in the new economic zones, at worksites, state farms, forestry sites, fishing grounds and so forth.

I also want to remind you that revolutionary action movements of the masses must be launched, nurtured and developed, not allowed to fall into a state of meaningless activity. Of utmost importance is the need for close coordination and collaboration among the Trade Union Federation, the Federation of Collective Farmers, the Communist Youth Union and the Women's Union within the fatherland front.

Dear comrades,

Since early April, along with the entire country, our city has been directing its thoughts toward the northern border, the heroic frontline. As our hatred of the evil intention of the Chinese expansionists and hegemonists to escalate the war and their towering crimes against our people has increased, we have greeted the reports of victories in battle arriving from the border with increasing excitement. With a feeling of love and pride, with deep respect, we have been following the extremely brave, resourceful and creative fight being waged by the army and the ethnic minorities in Cao Bang, Quang Ninh and, in particular, Ha Tuyen to defend each bit of sacred soil of the fatherland. I recently received the good news that, in addition to the official delegation from our city that has gone to Ha Tuyen Province, the August Youth Orchestra, representing the youth of our city, has also gone there to offer its services and has received a loving welcome from the compatriots and soldiers of heroic Vi Xuyen District. Vi Xuyen and Yen Minh, two districts of Ha Tuyen, are places at which the fighting has recently been heavy.

With our hearts and our minds and through concrete actions, let us organize truly splendid coordination between the rear area and the frontline in order to tell the Chinese aggressor forces: we Vietnamese always desire good neighborly relations with the People's Republic of China, respect the long-standing friendship between the peoples of our two countries and seek a country of peace, a quiet and stable border region. However, if the Chinese expansionists and hegemonists continue to pursue their ambition to annex Vietnam, Laos and Kampuchea in order to open the way for achieving their dream of expanding into Southeast Asia, they will inevitably suffer the same shameful defeats suffered by the Chinese dynasties of the past, by the French colonialists at Dien Bien Phu, by the U.S. imperialists in the spring of 1975 and by the 600,000 Chinese aggressor forces and the Pol Pot-Ieng Sary clique in the spring of 1979.

In the defense of the independence and sovereignty of the country and in the fulfillment of its international obligation to fraternal nations, Vietnam never stands alone. The recent Decision by the Political Bureau of our Party

Central Committee concerning the very fine success of the Economic Summit Conference of CEMA Member Countries held in Moscow and the fine results of the negotiations between General Secretary Le Duan and Council of Minister Chairman Pham Van Dong and Comrade Chernenko, general secretary of the CPSU and chairman of the Supreme Soviet of the Soviet Union, is a new source of strong inspiration to the party organization, people and youths of our city.

Dear delegates and Youth Union cadres,

The months and years will pass by very quickly but you will remain forever young if you cultivate noble ideals and maintain the lifestyle, the way of thinking and acting of a Youth Union cadre, of a new youth. Respect and cultivate the unchanging values of a life of service to others and many beautiful dreams. A tradition of fidelity, a determination to overcome each difficulty and obstacle, true unity and boundless loyalty to the cause of the party for the sake of the glorious ideals of communism, these are the most precious assets that the older generations have entrusted to you and which you, in turn, will raise to new heights today and in the years to come. With all the confidence of one who has gone before you, I hope that you will be very worthy of this trust.

This congress is a congress to debate and deploy forces for the various areas of work in preparation for 1985, a year in which there will be very many major holidays in our country and the world. As regards youths, are you aware of the fact that, in 1985, 60 years will have passed since the birth of the Association of "Vietnamese Revolutionary Youth" that was founded by President Ho in order to prepare the conditions for organizing the Communist Party of Vietnam? I am very happy to learn that you delegates have contributed very many ideas of value during this congress concerning the projects of youths to commemorate the 10th anniversary of the city's liberation. To this, add the commemoration of the 60th anniversary of the founding of the Association of "Vietnamese Revolutionary Youth," the forerunner of the party, the origin of the Ho Chi Minh Communist Youth Union.

Under the glorious banner of the party, of the Youth Union, may the members of the Communist Youth Union and the youths of the city, together with teenagers and children, the future masters of the country and the city, march bravely forward!

"For the sake of the entire country and along with the entire country, the Saigon of yesterday was liberated."

"For the sake of the entire country and along with the entire country, the Ho Chi Minh City of today will surely successfully build socialism."

FOOTNOTES

1. The Proceedings of the 5th Party Congress, Su That Publishing House, Hanoi, Volume 1, p 93.
2. Party Congress Proceedings, Su That Publishing House, Volume 1, pp 129 and 130.

PARTY ACTIVITIES AND GOVERNMENT

TO HUU ADDRESSES NATIONAL DAY MEETING

OW011930 Hanoi VNA in English 1610 GMT 1 Sep 84

[All quotation marks as received]

[Text] Hanoi, 1 Sep (VNA)--"Overcoming numerous difficulties and big trials, the Vietnamese people over the past year created new changes and obtained achievements in all fields, especially in economic production," said Vice Chairman of the Council of Ministers To Huu at the National Day meeting here today.

To Huu, who is also a political bureau member of the Communist Party of Vietnam Central Committee, said:

"Vietnam's economy has, in the flush of positive changes in the 1981-83 period, obtained many new achievements."

He said that in agriculture, especially in food production, great efforts have been made to overcome the consequences of the storms and flood in 1983 and serious draught in early 1984. As a result, an important success has been recorded in the winter-spring rice crop, with an increment of 370,000 tons over the previous year.

To Huu said: "Output of industrial crops went up by 30 percent over the same period last year. Considerable increment was attained in the output of several important industrial crops such as rubber, coffee, tea, tobacco, groundnut and sugar cane.

"Animal husbandry keeps on developing. Particularly the herd of cows and oxen grows at a high tempo (more than 10 percent a year)."

With regard to afforestation and the protection and expansion of existing forests, he said that the forest land expanded by 32 percent over the same period last year. Due attention has been paid to areas afforested with trees providing materials for paper and fibre industries and pit props.

The aquatic products branch continues to develop, To Huu said. He added that shrimp rearing for export holds out promising prospects and that this branch is expected to overfulfill its 1981-85 five-year plan.

He said "Industrial output has increased noticeably in many respects compared with the previous year. State-run industrial establishments, whose increment tempo is higher than that of small industry and handicraft units, are striving to meet the increasing demand of agriculture, especially in the manufacture of means of production and the processing of farm produce and foodstuffs. The production of a number of staple consumer goods has been developed, with paper increasing by 27 percent, cotton and silk fabrics by 33 percent, and bicycles by 66 percent."

"In the first six months of this year," he said, "11 newly-built key projects, such as the enlarged Lam Thao phosphate plant, the Xuan Mai ferro-concrete works, the Pha Rung ship repair yard and the Hoang Thach cement works, were completely or partially commissioned."

The scale and rate of housing construction keep on increasing in the whole country, particularly in Hanoi, To Huu remarked.

He said great efforts have been made to accelerate the distribution of the workforce in close conjunction with the zoning of economic areas in the central highlands, the eastern part of southern Vietnam and northern border areas. The newly-reclaimed areas increased by 83 percent over the same period last year, most of which has been put under rubber in the central highlands and the eastern part of southern Vietnam.

To Huu said the volume of freight increased considerably over the same period last year, thus meeting the country's main demand for trans-Vietnam transportation and other important objectives.

He said great efforts have been made to gear up the export-import trade. The country's export value was up by more than 10 percent over the same period last year.

In goods distribution and circulation, he said, an important volume of food, foodstuffs and consumer goods have been put under state control to meet the needs of workers, public employees and the armed forces and step by step bring the market under state management. He said the life of people in areas stricken by last year's storms and floods and in northern border areas had been promptly stabilized.

The socialist transformation of the relations of production has given satisfactory results, To Huu said. The collectivization of agriculture in southern provinces has involved more than 44 percent of cultivated land and 52 percent of peasant households and has become a broad mass movement.

Encouraging results have been obtained in the socialist transformation of private capitalist industry and trade in close association with the reorganization of production and business and the improvement of the managerial work.

Substantial progress also has been made on the cultural and social front.

To Huu said big efforts have been made to step up scientific and technical research and apply technical advances to production and life.

Literary and art activities have been constantly developed and those engaged in them have kept close contact with the working people serving the people and armed forces, especially in the northern border provinces.

The public health care service continues to develop the sanitary and prophylactic work and the system of hospitals and medical stations have unceasingly expanded, especially in border and mountain areas. Due attention has been given to combining traditional methods of treatment and the use of traditional medicine with modern medicine. Important results have been obtained in the countrywide antimalaria campaign.

Family planning has been given greater attention and it has brought initial results. However, he noted, the country's population growth rate remains too high.

After recalling the seething activities and achievements throughout the country over the past year, To Huu went on to say:

"Looking back at our efforts over the past year, we can rejoice at the fact that, overcoming numerous difficulties and big trials, we have made new changes and obtained new achievements in all fields, especially on the production front. At the same time, we are aware that there remains an imbalance in many sectors of our economy, especially in food production, energy and material supply, and that the life of the people, workers, public servants and the armed forces in particular, still meets with many difficulties. This situation partly stems from objective conditions, but the main cause is our weakness in the organizational and managerial work, in all branches and at all levels from the centre down to the grassroots, in the readjustment and reorganization of production, the managerial mechanism, the circulation and distribution of goods and in guidance work."

To Huu devoted part of his speech to the tasks and measures to fulfill them in the light of the Sixth Plenum of the CPV Central Committee (July 1984).

He said:

"Our people's national construction and defence are going on in the context of a complex and ruthless worldwide struggle which, however, is developing to the advantage of peace and revolutionary forces.

"The world tension over the past few years is due to the Reagan administration's policy of confrontation and arms race against the Soviet Union and peace and revolutionary forces. It has been further aggravated by the U.S. deployment of intermediate-range nuclear missiles in Europe since late 1983, and by the United States' assistance to the revival of Japanese militarism, its active preparations for a U.S.-Japan-South Korea military alliance, and its playing the China card.

Meanwhile, the U.S. imperialists conducted frenzied counter-attacks on the national liberation movement in Latin America.

They blatantly invaded Grenada, interfered in El Salvador, mined the coast of Nicaragua, and threatened to invade Cuba. In the Middle East, they directly intervened in Lebanon, continue to back Israel against the Palestinians and the people of other Arab countries. They use the South African apartheid regime to undermine the national independence of the front-line countries and counter the liberation movement of the Namibian and South African peoples. They work hand in glove with reactionary forces in carrying out acts of intervention and subversion, thus causing instability in Asia, Africa and Latin America.

The U.S. imperialists' war-like policy has seriously threatened world peace and the independence and security of nations. But they have failed in their attempts to check the growth of the three revolutionary currents and the peace forces and to reverse the trend of development of the post-Vietnam world situation.

"Standing out in the constant growth of the three revolutionary currents is the development of the Soviet Union and the socialist community as was vividly demonstrated at the recent summit conference of the Council of Mutual Economic Assistance (CMEA) in Moscow. The success of the conference testified to the solidarity and unity of the socialist community, to the fact that the socialist countries are fully capable of solving key economic and social problems to develop their economies at a rapid and steady pace to thwart the war-seeking policy and economic embargo of imperialism, and to play an ever greater part in the over-all development of the world.

While enhancing their economic and defence capabilities, the Soviet Union and the other socialist countries have resolutely countered the confrontation policy and foiled the schemes of imperialism aimed at gaining military superiority, interfering in the internal affairs and violating the national independence and sovereignty of nations.

At the same time, they have held high the banner of peace, put forward one important initiative after another to ease tension and avert the danger of nuclear war, to stop the arms race on the basis of the principles of equality and equal chance of security, maintaining the present strategic parity in order to preserve world peace. Here, we once again reaffirm our full support for the Soviet Union's well-known peace initiatives, especially those put forth in the important 2 March 1984 statement by Comrade Konstantin Chernenko and the recent proposals of the Soviet Union on the opening of negotiations to block the militarization of the outer space. These proposals have highlighted more than ever the principled peace policy and the high sense of responsibility of the Soviet Union--the strong bulwark and reliable mainstay of world peace and revolution."

Turning to the situation in Southeast Asia, To Huu said it is evolving in favour of the forces of peace and national independence, and against the will of the Chinese reactionaries, who are ganging up with the imperialists.

"Entering the year 1984, we are glad to note that the three Indochinese countries, though still having to overcome numerous difficulties and trials, have kept on developing. The Kampuchean people's show of might on the 5th anniversary of their revival and the victory of their recent dry-season offensive have proved all the more clearly that the situation in Kampuchea is irreversible. Another setback has been sustained by China in its scheme to foster the genocidal polpotists to oppose Kampuchea's revival and to use Thailand to counter the three Indochinese countries and stir up confrontation in Southeast Asia. The fair and reasonable proposals of the 8th and 9th conferences of the Indochinese foreign ministers as well as the recent third partial pull-out of Vietnamese army volunteers from Kampuchea are further evidence of the constant growth of the People's Republic of Kampuchea, and the peaceful policy and goodwill of the three Indochinese countries. The public in Southeast Asia and the world over has seen more and more clearly that China's hegemonist and expansionist policy is the biggest threat to Southeast Asian nations and the root cause of tension and instability in this region.

"Particularly serious is the fact that since early April this year, the reactionaries in the Chinese ruling circles have taken new acts of military escalation with wicked designs against our people in the northern border areas, causing serious human and material losses.

Those wicked and brazen acts prove that the Chinese ruling circles' expansionist schemes against our country have not changed in the least.

"These acts of escalation by China, however, have been carried out in a defensive and losing posture and have been duly punished by our armed forces and people. World opinion has noted that just as 20 years ago, when the U.S. imperialists cooked up the 'Tonkin Gulf incident' as a pretext for their air war against North Vietnam, China's attacks against our country under the pretext of "self-defence counter-offensive" have laid bare its reactionary nature, aggressive schemes and deceptive "peace" professions.

To Huu said:

"We are very happy to note that never have the special solidarity and relationship between our country and our two fraternal neighbours--Laos and Kampuchea--consolidated and developed so steadily as today.

"We will continue to stand side by side with the fraternal Kampuchean people in their struggle against the plots of China, in collusion with U.S. imperialism and the reactionary forces in the Thai ruling circles, to oppose the revival and national independence of Kampuchea. We resolutely lay bar their attempts to use the 'national reconciliation' label aimed at continuing to use the forces of the genocidal Pol Pot gang and the so-called 'tripartite coalition government' of the Khmer reactionaries to oppose the rebirth of the Kampuchean nation.

"We firmly demand that the reactionary forces in the Thai ruling circles stop at once all their violations of the sovereignty and territorial integrity of the Lao people's democratic republic and immediately withdraw all their troops

from the three Lao hamlets illegally occupied by them. We fully support the just stand and measures of the LPDR to use their legitimate right to self-defence to defend its sovereignty and territorial integrity and restore its normal relations with Thailand in the spirit of the joint Thai-Lao communique of 1979 and in conformity with the common desire of the peoples of the two countries for good neighbourly relations.

"Having smashed all divisive plots and moves of the enemy, we have constantly consolidated and promoted our military solidarity and comprehensive cooperation with the Soviet Union and the other countries in the socialist community. We are deeply moved at the firm support and great and effective assistance accorded us by the Soviet Union--our most reliable friend--for our cause of national construction and defence.

"The long-term program for economic cooperation between Vietnam and the Soviet Union signed on the occasion of the fifth anniversary of the Vietnam-USSR Treaty of Friendship and Cooperation and the Soviet Union's strong support for the Vietnamese people's struggle against Beijing's new war escalation are vivid demonstrations of the close militant solidarity and all-round cooperation between the two countries.

The unanimity between the two countries on strategic interests was epitomized in the recent talks between General Secretary Le Duan and Chairman of the Council of Ministers Pham Van Dong on one side and Comrade Konstantin Chernenko, general secretary of the Central Committee of the Communist Party of the Soviet Union and president of the Presidium of the Supreme Soviet of the USSR, and other Soviet party and state leaders on the other.

The recent trip to Mongolia by a Vietnamese party and state delegation led by State Council President Truong Chinh as well as other activities of the Vietnamese party and state have strongly affirmed Vietnam's close relations with fraternal countries in the socialist community. Loyal to our internationalist obligations, we pledge to do our utmost to strengthen our solidarity with and firm support for the revolutionary and progressive forces in the world. We highly value India's great role and positive contribution to taking forward the non-aligned movement, of which it is the chairman, along the anti-imperialist road with a view to preserving peace, gaining the defending political and economic independence, abolishing the old inter-national economic order and establishing a new one.

We fully support the staunch struggles of the Cuban and Nicaraguan peoples against the U.S. imperialists' intervention and aggression, in defence of their revolutionary gains, and fully support El Salvador's revolution against the U.S. imperialists and their lackeys, for independence and freedom. We resolutely demand that the South African administration quickly return independence to Namibia in the spirit of the UN Security Council's resolution. We unite with SWAPO and the Southern African people in their struggle against the South African apartheid regime in collusion with imperialism, for national independence and social progress.

We always stand by the side of the Lebanese and Palestinians and the peoples of other Arab countries in their struggles against U.S. imperialism and the Israeli expansionists, in defence of their national independence. We fully

support the Soviet Union's important initiative on convening an international conference on the Middle East. We firmly support the Afghan people in their struggle against the reactionaries at home and abroad, in defence of their April revolution's gains and the building of a new life.

We resolutely demand that the U.S. withdraw its troops from South Korea and strongly support the DPRK party, government and people's efforts to achieve the peaceful and sovereign unification of Korea. We fully support the just struggles of the Asian, African and Latin American peoples for their basic national rights and for building a prosperous and happy life.

Having undergone more than 30 years of war and having to cope constantly with the imperialists' and reactionary forces' hostility, our people have no greater aspiration than to live and build our country in peace, independence and freedom and to peacefully coexist with all other countries, first of all with their neighbours, China included. Therefore, while struggling unflaggingly against all acts of aggression and sabotage of the reactionaries within the Chinese ruling circles, we always affirm our wish for the restoration of the long-standing solidarity and friendship between the two peoples and reiterate our willingness to resume the Sino-Vietnamese talks on the normalisation of the relations between the two countries at any level and any place.

Being a Southeast Asian country, our interests are closely associated with peace and stability in this region. Realities over the past five years have shown that the only way to bring peace and stability to Southeast Asia is to put an end to confrontation to engage in dialogue and step by step settle all differences on the basis of equality and mutual respect and without outside interference. This conforms to the interests of peoples in all countries in the region. We appreciate all countries' good will and initiatives to promote dialogue between the two groups of countries in the region aimed at contributing to peace and stability in Southeast Asia. For our party, we will spare no efforts to strengthen the relations and mutual understanding among countries in the region in order to turn Southeast Asia into a region of peace, friendship and cooperation.

In celebrating our National Day, we are all the more conscious of the great services of the late beloved President Ho Chi Minh, the leader of genius who guided our people through many trials and hardships to achieve national independence and reunification, taking our homeland to socialism, bringing happiness to the people, and writing golden pages in the history of modern times.

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PARTY ACTIVITIES AND GOVERNMENT

PHUOC LONG VILLAGE GRADUALLY COLLECTIVIZES PRODUCTION

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 13 Jul 84 p 1

[Article by Tran Loc: "Full Cognizance at Phuoc Long"]

[Text] We arrived at Phuoc Long Village in Thu Duc District on a day in the beginning of July at a time in which the party and administrative committee echelons and the sections, sectors and mass organizations in the village were concentrating on strengthening the collectives and the agricultural, marketing and credit cooperatives. Phuoc Long is the first village of Thu Duc District and one of the 22 villages in rural Ho Chi Minh City to establish all three types of cooperatives: the agricultural cooperative, the marketing cooperative and the credit cooperative.

Phuoc Long began the agricultural cooperativization movement at the end of 1977. Experiencing its ups and downs, the movement at times was hypothetically weak. However, thanks to the people, the village party organization and administration resolutely motivated, strengthened and gradually led the agricultural cooperativization movement over the difficulties and forward. To the present time, the entire village has established five production collectives and one agricultural cooperative, absorbing 78 percent of the rural families and collectivizing 70 percent of the cultivated area in the village. The collectives and cooperative in Phuoc Long differ in quality but every one has begun to develop the superiority of collective work. In Collective 5, thanks to intensive cultivation, multicropping and trade development since 1981, the living standards of the collective members have been improved. In 1983, each collective member family earned an average income of from 150 to 180 gia [as a unit of weight, is equal to 20 kilograms] of rice. Agricultural Cooperative 1, newly established by Phuoc Long at the beginning of this year, carried out multicropping of the summer-fall crop on 50 hectares of rice. The cooperative also constructed a brick kiln and a hog farm, developed service and began consolidated business production. It is possible to state that thanks to beginning collective work, the lives of a majority of the poor farmers in Phuoc Long have been improved and they have escaped the state of serving as hired workers. The family of Huynh Van Tron in Collective 5 previously had not enough land to build a shanty to live, had to ask for shelter in a pagoda and plowed whatever field they were told; but after a few years in the collective, the family has been issued field land and has constructed a private dwelling.

In conjunction with establishment of the collective work movement in agriculture, Phuoc Long established a marketing cooperative. By the beginning of

1983, the Phuoc Long Marketing Cooperative had attracted 3,178 members who purchased 6,843 shares worth 34,215 dong. At the present time, the cooperative has four stores and eight retail agents in four hamlets. The cooperative also has a mobile team delivering goods for sale to the people in distant hamlets, and has established three pork, fish and green vegetable stands in the Tay Hoa Market. The cooperative trades in more than 100 products to serve production and the lives of the people in the village. Besides the grain supplied by the district state-operated commerce, the cooperative has organized the purchase of meat, fish, vegetables and duck eggs in the local area to support the people in the village. Since the beginning of 1984, the cooperative has sold each household an amount of goods worth 350 dong each month. During the past 6 months, the cooperative has also helped 71 farmers in the village borrow 5,754 kilograms of preharvest rice in order to avoid the need to sell immature rice. With good progress in the buying and selling missions, the Phuoc Long Marketing Cooperative has begun to create conditions for the farmers to escape the control of privately operated commerce. Recognizing the long-term benefits of this collective commerce organization, many people in the village have reserved their hogs, vegetables and duck eggs for sale to the cooperative and have decisively halted sales to private operators.

To assist the farmers in resisting high interest borrowing and immature rice sales which still exist in the local area, Phuoc Long Village also established a credit cooperative. After a period of operation, the Phuoc Long Village Credit Cooperative now has 420 members with 492 shares and 49,200 dong in capital. The cooperative began operations at the beginning of 1984 and since then has made 58 loans for production. Because capital is still scarce, the cooperative will only loan each member 2,000 dong at a time but the people have recognized the benefits of a credit cooperative. At the present time, there are an additional hundreds of agricultural cooperative and collective members who have registered to join the credit cooperative.

Fully cognizant of the effect of these three types of collective economic organization, Hai Son, a member of Collective 5, told us, "Since I entered the collective, it is clear to see that the living standards of my family through each year have risen. If I had continued to make a private living through the past 7 years, who knows what my difficulties would be today. When we need fish sauce, salt or bean curd, the marketing cooperative is close by for purchases at any time with no need to make long trips for expensive purchases. I recently had a sow about to give birth and was short of money but the credit cooperative promptly made me a loan to continue raising the sow; before, I would have been forced to sell the crops before harvest or mortgage the furniture in the house." Hai Son told us that his family of seven members with two primary wage earners earned an income during 1983 in collective economic shares of 200 gia of rice. Monthly, his family buys from 60 to 70 percent of their consumer goods from the marketing cooperative. At the present time, he and his wife are members of both the marketing and the consumer cooperatives. Only when we understand the family situation of Hai Son 7 years ago can we fully realize the things about which he is talking. Before entering the collective, his family had no home and had to temporarily live on a hog farm. The collective has now issued him land and constructed a house, he has purchased a team of plow cattle and he has a vegetable garden, fish pond, sow pen and a flock of ducks running

in the fields. Ba Vui, a member of the agricultural cooperative, also stated this fact, "I recognize that being a member of the agricultural cooperative is not enough; one must also join the marketing and the credit cooperatives before he can escape being exploited by the private merchants and storekeepers. If recently we would have had no credit cooperative from which to borrow capital, how could I have released 800 small fish in the pond?" Mrs. Cao of Moi Hamlet said, "Previously, I registered to join the credit cooperative but bought no shares because I was not confident; now I see that the cooperative truly assists the people by loaning money for production without being forced to borrow money at a high interest rate, and have just deposited my money." Liem, Cau and Phuoc, individuals selling many agricultural products to the marketing cooperative for resale stated that if only greedy for immediate profits, vegetables, hogs and duck eggs can be sold to private merchants who will pick your pockets.

Mentioning the transformation and new rural construction mission of Phuoc Long Village, Bon, Chairman of the Village People's Committee, said, "Changes have been made in the cooperativization movement in Phuoc Long during the past half year but they are only the first step. The lives of the farmers in the village are still difficult and high interest loans and preharvest sales among the farmers still exist. The primary reason is that production is still undeveloped and incomes in the collectives and cooperatives are still low. Up to now, we have concentrated on truly strengthening these three types of cooperatives in order to create a firm basis for the farmers to struggle against the various forms of exploitation."

7300

CSO: 4209/422

PARTY ACTIVITIES AND GOVERNMENT

ARTICLE REVIEWS ISSUING PARTY MEMBERSHIP CARDS IN HANOI

Hanoi HANOI MOI in Vietnamese 4 Jul 84 p 2

[Article by Quang Huy: "Results of Issuing Party Membership Cards and Policy To Improve Quality of Party Members"]

[Text] Implementing Directive 83 of the CPV Central Committee Secretariat, in nearly 2 years (from 3 February 1980 to 11 December 1981) the municipal party organization basically completed the task of issuing party membership cards. From the beginning of 1982, the responsible party committee echelons continued to consider and resolve cases involving issuing cards in the party installations where this task had not been carried out and having to do with the members who had not received their cards in the previous card-issuing periods. By the end of 1983, the municipal party organization has issued cards to 144,304 regular members and 10,075 probationary members in 1,812 party installations.

Results

The fact that a self-evaluation was required from any member holding any position prior to receiving his card made him see more clearly his responsibilities and further heightened his sense of organization and discipline, the spirit of fighting for criticism and self-criticism and the concept of training in order to maintain the qualities, personality and morality of communists. The party committee echelons and management organs were able to see more clearly the importance of raising the quality of party members as it was linked with building strong party installations in general and resolving the problem of the weak party installations in particular and to acquire experience in the management of party members, party installations, members' files, and so on. Also to perfect the leadership machinery, to consolidate the mass organizations and at the same time to select and further train the outstanding people to become party members. In the 3 years of issuing party membership cards, the party organization succeeded in getting 13,588 new members and further raising the fighting power of party installations.

Also in 3 years, 1980-1982, disciplinary action was taken against 9,073 party members. Among them 4,769 unqualified members were expelled from the party. They were the ones who had committed serious offenses, such as being decadent and deviant, wrongly implementing policies and failing to enforce the law; had shown poor political understanding; and had been ineffective and had failed to play a pioneering and exemplary role. In the case of nearly 14,000 party members, the issuance of their cards was delayed for a while to allow further consideration and education; many of them were able to correct their shortcomings and really tried to show progress.

Shortcomings Preventing Good Results

Between understanding the contents and organizing their implementation, many localities properly applied Directive 83 and the guiding circulars. However, quite a few party chapters and party organizations failed to organize their serious implementation because of limited concept and poor leadership. Although the directive required that "cards will be issued only to qualified members," in many localities a common phenomenon was to be "flexible" and to even lower the criteria for membership. In the course of reviews, criticisms and self-criticisms for classifying purposes, a tendency was to express rightist ideas and to be indulgent, afraid or too soft toward others, particularly the cadres in high positions of authority. That was the main reason why a number of unqualified party members still received membership cards.

As a result, in some party installations there were party members who had declining fighting spirit, acted in an irresponsible manner, wrongly implemented policies and the law, were opportunistic, adversely influenced solidarity because of their factionalist behavior, made false reports, oppressed the masses, and so on, and yet they were not targets of any struggle and were not handled appropriately. In addition, there were other party members who, in spite of the fact that they had not committed any major offenses, failed to play the role of party members and thus were not better than the common people; they were not expelled from the party, either. There were cases in which the party members' behavior had been discovered and conclusions had been made about them, but they were not handled in a fair and timely manner. In quite a few other cases, although the party members concerned were truly unqualified, they still were issued membership cards after only some delay, which in itself was considered a form of "disciplinary" action.

Those shortcomings were the reason why the card-issuing task had not brought about very good results. That in turn lowered such requirements as linking the issuance of party membership cards with consolidating the weak party installations, cleaning up the ranks of members and building many more strong party installations.

What about the quality of party members now? Repeated control and surveys in various forms of party chapters and party organizations belonging to all blocks have shown that only 50-55 percent of party members are really effective. The party members who are qualified but have only limited activities because of their old age, poor physical strength and illnesses account for 20-25 percent. As to the remainders (15-20 percent), their role and effectiveness are not clear. Among the latter 3-5 percent of them are unqualified. It is obvious that in the course of issuing party membership cards, the expelling of only 1 percent of the total number of party members does not truly reflect the real situation of our party organizations. In Resolution 08 on the work of the capital city of Hanoi, the evaluation by the Political Bureau that "the Hanoi party organization is numerically large but not strong enough" is very accurate and reflects well the real situation.

Consequently, at the present time, there still are in the party the people and their families who do not seriously carry out the positions, policies, directives, resolutions and laws of the party and state; abuse their positions and power to oppress the masses; are corrupt and receive bribes; and regale, lead a depraved life, are superstitious and gamble. The negative aspects that appear in the activities involving financial matters, materials, goods, selection of people to fill vacant jobs, distribution of housing, electricity and water, and so on are not yet prevented and in some localities and sometimes even increase. The fact that among the above-mentioned corrupt party members the ones that hold important positions have not been the target of disciplinary action has reduced the confidence of the masses in the party.

Continued Expulsion of Members

Consolidating the party is a regular job aimed at building strong local party organizations in every way. A strong party organization or chapter is an organization where the absolute majority of party members must be good. Every party member, no matter what position or what job being held, must clearly show he is a communist combatant, has the ideals of the party and acts in accordance with the party line. In any situation, he must keep his noble qualities, lead a wholesome and plain life and resist such temptations as luxurious living, decadence, money, and so on.

In order to improve the quality of party members, the Standing Committee of the Municipal CPV Committee advocates centralized leadership and control over the ranks of cadres and party members, handling of those who have committed mistakes and shortcomings and firm expulsion of the unqualified party members. This action is closely linked with fully understanding and implementing the resolution of the 4th Plenum of the CPV Central Committee. On

28 October 1983, the CPV Central Committee Secretariat issued Directive 27, which clearly states: "Enforcing discipline among cadres and party members is a regular job to do." All party installations must have a correct concept about the criteria for and qualifications of party members so as to properly implement the above policy of the Standing Committee of the Municipal CPV Committee.

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CSO: 4209/412

PARTY ACTIVITIES AND GOVERNMENT

COUNCIL OF MINISTERS' DECISION ON NEW TOWN SETUP

BK310851 Hanoi Domestic Service in Vietnamese 0400 GMT 29 Aug 84

[Text] The SRV Council of Ministers on 24 August issued a decision on establishing Ai Nghia Town, Dai Loc District, Quang Nam-Da Nang Province as follows: Dissolve Dai Phuoc District and combine it with a number of areas of Dai Hiep, Dai An, Dai Hoa, and Dai Nghia villages totalling 518 hectares to form the town of Ai Nghia, Dai Loc District, Quang Nam-Da Nang Province.

Ai Nghia Town is composed of three zones of the former Dai Phuoc village, Nghia Trung hamlet, and the main area of Hoa Dong hamlet, including land belonging to production units No 1 and No 2, agricultural cooperative No 1 of Dai Nghia village; part of hamlet No 6 and land belonging to production unit No 6 of agricultural cooperative No 2; part of hamlet No 7 and land belonging to production unit No 10 of agricultural cooperative No 2, Dai An village; Go Mun subdivision of Hoan My hamlet, Dai Hoa village; land belonging to production units No 1 and No 4 of Dai Hoa agricultural cooperative No 1; (Mit) subdivision of So Trung hamlet, Dai Hiep village; and land belonging to production unit No 1 of Dai Hiep agricultural cooperative No 1.

The Ai Nghia Town is adjacent to Dai Hoa village to the east; Dai Nghia village to the west; Dai An village to the south; and Dai Hiep village to the north.

CSO: 4209/442

PARTY ACTIVITIES AND GOVERNMENT

NHAN DAN EDITORIAL ON GOVERNMENT BOND SALES

BK011332 Hanoi Domestic Service in Vietnamese 2300 GMT 28 Aug 84

[29 August NHAN DAN editorial: "Concentrate Every Effort on Carrying Out the Campaign for Selling Government Bonds in the Second Phase"]

[Text] The campaign to motivate the people to purchase government bonds for national construction in the second phase has been carried out for almost 4 months. In that time a large number of people of all strata in provinces, cities, islands, and mountain areas throughout the country--upholding the tradition of patriotism and love for socialism--have enthusiastically purchased government bonds, thereby contributing funds, along with the state, to building socialist material and technical bases. With this impetus, after a short period of time, our people have purchased government bonds valued at more than 200 million dong. Counting from the first phase, which started on 19 December 1983, the country has spent more than one billion dong, almost 7,000 metric tons of rice, and many other precious items to purchase government bonds.

Dac Lac Province as of last July had fulfilled its plan norm for purchasing government bonds for the 1983-84 period, taking the lead in this task. Lai Chau, Quang Ninh, Nghia Binh, Phu Khanh, Hoang Lien Son, Binh Tri Thien, Nghe Tinh Provinces and Vung Tau-Con Dao special zone have purchased 50-62 percent of their set plan norms. Meanwhile, Son La, Lam Dong, Quang Nam-Da Nang, Thanh Hoa, Ha Son Binh, Ha Bac, Gia Lai-Cong Tum, Thuan Hai, Vinh Phu, Ben Tre, Ha Tuyen, Dong Nai Provinces, and Ho Chi Minh City have purchased 30-50 percent of their year's plan norms.

Many echelons of party committees and local administrations have paid special attention to supervising the campaign for selling government bonds and have scored remarkable results. On the basis of voluntarism, many people purchased government bonds by using their long savings or the money allotted for buying household items. Many people purchased high denomination government bonds with money, paddy, and gold. These are manifestations of our people's love for their country and socialism, thereby contributing to the cause of national construction and defense.

Although the campaign for selling government bonds in the second phase has achieved initial results, it has not become a comprehensive emulation movement

among the masses. A number of party committees and local authorities have not taken measures to educate and satisfactorily organize the purchase of government bonds. Some localities have shifted all responsibilities onto the Fatherland Front Committees. Some have not created favorable conditions for the campaign committees to sell government bonds effectively.

Tasks on dissemination of government bonds for national construction are carried out ineffectively. Campaign work is implemented in a coercive manner while average distribution of bonds for sale is not matched with objectives. Some localities can achieve only 7 to 10 percent of their year's plan norms. In some districts and precincts, only a few people purchased government bonds after the 4-month campaign in the second phase. Most of them purchased low denomination government bonds.

Recently, the chairman of the Council of Ministers decided to launch a concentrated and uniform drive to encourage the people nationwide to purchase government bonds between mid-August and mid-September in order to celebrate the anniversary of the August revolution and National Day 2 September. This drive is aimed at motivating our people to cut down on consumption for the cause of national construction and defense; to buy government voluntary bonds in accordance with the resources of each person, each family, and each state-run or collective economic unit; and to contribute their capital enthusiastically to the cause of national industrialization. At present, the amount of idle money is not large enough to finance construction projects. If every locality knows how to mobilize and exploit this source, millions of people will voluntarily lend their idle money to the state.

The results of the campaign to motivate the people to purchase government bonds have been poor in the past. This is chiefly because we have failed in our ideological work to make the people clearly realize the great significance of the purchase of government bonds. To create a new change rapidly all localities must assemble a force of capable cadres and effect close coordination among the various sectors and mass organizations to create a combined strength for broadly and deeply developing the concentrated drive for the purchase of government bonds in every province, district, village, and hamlet. The main targets of this drive are areas and persons rich in money and paddy; but other targets must not be neglected.

Through mass information means and such activities as seminars, discussions, and meetings of avid purchasers of government bonds, we must create at all costs a widespread emulation movement among the people to purchase government bonds. The financial, banking, and grain sectors must continue to improve their services in support of the drive for the purchase of government bonds. For instance, they must send purchase forms to every establishment, receive money and goods rapidly, make out government bonds promptly, and guard against bottlenecks that inconvenience the people with long waiting periods. It is necessary to guide basic units in collecting money and making out government bonds at the homes of certain purchasers upon their request. Cadres in charge of the drive for the purchase of government bonds must fully understand the nature of their task, combat bureaucratism, and avoid a prefatory workstyle.

Our country is launching large construction projects for the energy, engineering, chemical, and construction material sectors. The demand for capital needed in building material-technical bases is steadily increasing. This capital must first of all be obtained chiefly from domestic revenues to which government bonds contribute an important part. The results of government bond sales not only create conditions for accelerating construction and developing production but also contribute to helping the state control money and goods, enforce the new management system, and struggle to stabilize prices and control the market.

Let all the country emulate in upgrading this concentrated drive for the purchase of government bonds into a new rising movement for the sake of the socialist fatherland and for the people's happy life!

CSO: 4209/442

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

DO MUOI ADDRESSES SUPPLY CONFERENCE--The Council of Ministers' Office, the State Planning Commission, the Statistics General Department, the Ministry of Finance, and the Ministry of Supply on 28 and 29 August jointly organized a nationwide conference in Hanoi to review tasks and the 1983 supply balance. Do Muoi, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers attended and addressed the conference. [Text] [From the review of NHAN DAN for 30 August 1984] [BK310859 Hanoi Domestic Service in Vietnamese 0000 GMT 30 Aug 84]

RESISTANCE AWARDS DISTRIBUTED TO 66,549--On the occasion of the SRV National Day 2 September, the Councils of State and Ministers have decided to award 12,177 Resistance Order First Class, 16,294 Resistance Order Second Class, 21,722 Resistance Order Third Class, 7,976 Resistance Medal First Class, 7,494 Resistance Medal Second Class, and 886 commendation certificates of the Council of Ministers to 66,549 persons who have scored achievements in the anti-U.S. war of resistance for national salvation. Of these, 62,067 are officers, combatants, and civil servants and 4,482 are civilians. Since the implementation of this award system, the Councils of State and Ministers have awarded 132,823 Resistance Orders and 58,870 resistance medals of various classes and 2,760 commendation certificates of the Council of Ministers to 194,453 persons, of which 184,212 are officers, combatants, and civil servants and 10,241 are civilians. [Text] [BK050409 Hanoi Domestic Service in Vietnamese 2300 GMT 3 Spe 84]

CSO: 4209/442

ECONOMIC PLANNING, TRADE AND FINANCE

EDITORIAL URGES STRONGER MARKET MANAGEMENT

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Jul 84 pp 1, 4

[Editorial: "Strengthen Market Management, Punish Dishonest Merchants, Speculative Hoarders"]

[Text] An industrial center and a junction of merchandise circulation and distribution, the socialist market in our city has the nature of an area market. Changes occurring in goods sources, prices, etc. in the city all have a definite effect on the markets of nearby provinces. Dishonest merchants, black marketeers and speculators also choose the city for conducting illegal activities for self-enrichment despite the difficulties of the laboring people. The punishment of dishonest merchants, speculators and black marketeers is an urgent mission of economic management, assuring social order and security and answering the wishes of the laboring people and all those making a legitimate living.

Actual practice in the municipal market during the past has indicated that the dishonest merchants, speculators and black marketeers use many insidious and ingenious stratagems to acquire goods and money. They fling money and goods into the city suburbs and provinces of the Mekong River Delta in competition with the state to purchase grain and other agricultural products, especially essential goods such as rice, pork, fish, fuel, beans, sugar, etc., destroying purchase prices and raising sales prices. On the other hand, they connive with degenerate and deviate elements in the economic management apparatus in order to pilfer goods from state warehouses, enterprises, state-operated commercial units and cooperatives. Therefore, goods of a strategic materials nature under state management are all sold at an extremely high price on the "free" market. Most communications and transportation means are managed by the state but the degenerate elements in the sector are commonly bribed and used to transport black market goods from one location to another or in from foreign countries. Black marketeers in gold, silver, precious stones, foreign exchange, etc. are slipping into surreptitious activity but the scale of their business is not smaller than before.

During certain fixed periods of time, these dishonest merchants are sure leaning posts for various types of enemies conducting plots of economic destruction against our country in general and our city in particular. As they did before, they spread harmful information to inflate the price of rice and gold followed by the prices of other commodities, disrupting market prices and causing harm to the lives of the laboring people. Since the city implemented the "five management" method, the major speculative operations of dishonest merchants have

abruptly stopped but they have changed to many forms of ingeniously dispersing goods in order to avoid state control.

As long as they continue to operate, market prices will surely continue to rise and the lives of the people engaged in legitimate labor will become increasingly difficult. We therefore define the dishonest merchants, speculators and black marketeers as socially dangerous and harmful economic destruction elements. They are the allies of the enemies of our people, the Chinese hegemonic expansionists and the American imperialists. To our city, resisting those destroying the economy is a primary part of resisting the enemy's multifaceted war of destruction.

In order to effectively resist the dishonest merchants, speculators and black marketeers, we must first of all well-organize and manage the market, strictly achieve the "five management" method and bring the operations of private merchants under the firm inspection and control of the state and the people. The operations of small merchants must be arranged by goods sectors and they must be encouraged and educated not to serve as the centipede legs of the commercial bourgeoisie, objectives requiring prompt elimination. On the other hand, the market management apparatus at all levels must be effectively strengthened and developed, especially at the primary level (wards and villages).

Emphasis must be given to raising the professional standards and mass viewpoint of the those engaged in market management. They must know how to rely on the people to promptly discover and prosecute the illegal activities of speculators and black marketeers, accurately striking the large dens of dishonest merchants encroaching upon society.

Resistance against dishonest merchants, speculators and black marketeers must be closely connected to the movement to protect socialist property. Each agency, enterprise and commercial unit must promote the struggle against negative occurrences and resist the surreptitious movement of state materials and goods into the "free market."

On the other hand, the socialist commerce forces must rise to control goods, direct wholesale trade, expand the retail sales network and provide a major portion of consumer goods to the people.

Only with such a strong change in many aspects can the dishonest merchants, speculators and black marketeers be halted and prices stabilized in order to stabilize the lives of the people.

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CSO: 4209/422

IMF ECONOMIC REPORT SUMMARIZED

Bangkok THE NATION REVIEW in English 30 Jul 84 p 4

[Text]

DESPITE THE recent progress in industry and agriculture, the Vietnamese economy continues to show considerable weaknesses. Largely because of a decline in the production of secondary food crops (potatoes, corn, etc.), the country has remained vulnerable to food shortages, and lack of attention to the cultivation of industrial crops (coffee, tea, rubber) has hampered export growth.

Although a major part of investment has been directed toward centrally managed enterprises, the performance of these enterprises has been disappointing and has contributed to shortages of both investment and consumer goods. In addition, labour productivity and the quality of output has remained low in most sectors of the economy.

With regard to production, the authorities attribute most problems to errors and shortcomings in management and planning, and they will therefore continue policies that will emphasize decentralization of decision-making, and reliance on the free market where inputs cannot be provided through the administrative supply system. However, they consider that the rapid growth in private retail trade, i.e., from 20 per cent of total distribution in 1980 to an estimated 50 per cent in 1983, and the uncontrolled nature of transactions in some companies under local management have led to diversion of resources from priority areas and a continued rise of prices in the free market.

Thus, the decision to return the control over the export of 25 commodities to centrally managed companies was taken after it appeared that local export companies were excessively bidding up prices in the local market. The introduction of tax measures on the private sector, which consist mainly of retail trade and handicraft establishments, was in part aimed at increasing control over the commercial activities of private enterprises.

During the remaining period of the current national plan (1981-85), the authorities will aim at improving the distribution of goods by enlarging the role of the state and the cooperatives in the commercial sector, particularly in urban areas. They also intend to gradually eliminate the free market in food, and other agricultural, forestry and maritime products.

The staff team observed that reliance on the free market in recent years had materially contributed to the growth in production and exports, precisely because prices had been permitted to guide the allocation of resources where planning and management had been inadequate. Particularly in the absence of reasonable prospects to improve the quality of management and the flow of information, more control in distribution would tend to exacerbate, rather than reduce, the misallocation of resources and the pressure on prices.

The discussions on production and investment policies, domestic resource mobilization, export promotion policies, and external debt policies were hampered by incomplete and inadequate statistical data.

Production policies

The authorities expect real GDP to grow by about seven per cent in 1984. Despite a delay in planting caused by three successive spells of cold weather at the beginning of the year, gross agricultural output is projected to rise by over 10 per cent, a rate of increase well above the average attained during 1980-83. Most of the output growth is to come from the development of jute, soybeans, groundnuts, and sugar on new land in the Mekong Delta.

The total area under cultivation of these crops is to rise by about 50 per cent in 1984 and by another 50 per cent in 1985. Agricultural output is to benefit also from the coming into production of new rubber, coffee, and tea plantations. Following the somewhat dis-

appointing performance of 1983, foodgrain production is expected to increase by six per cent in 1984.

As most newly developed land will be used for the cultivation of cash crops, food production will increasingly depend on yield increasing techniques, such as the use of high yielding varieties, irrigation, and fertilizer. Because of a rise in domestic production and higher imports, the use of fertilizer is expected to increase by 27 per cent in 1984.

The authorities also intend to promote double cropping, particularly in the Mekong Delta where only five per cent of the land is double cropped, compared with 55 per cent in the Red River Delta. However, both double cropping and the use of high-yielding varieties might be constrained by lack of irrigation. Between 1978 and 1981, investment in the agricultural sector declined by 18 per cent, and in irrigation facilities, by 35 per cent.

The effects of last year's droughts and floods, which led to a loss in foodgrain production of 400,000 tons of 2.5 per cent, have again brought to the fore Vietnam's vulnerability to adverse weather conditions. The authorities have therefore decided to forego possibilities of exporting rice and, instead, will start building a buffer stock so that self-sufficiency in food may be assured in lean years. As 20-25 per cent of foodgrain production is lost in transportation or storage, such a policy will have to be accompanied by adequate remedial action in these areas. Though still a major policy objective, the collectivization of agriculture in the Mekong Delta will continue to be gradual and on a voluntary basis, so as not to disrupt production.

Here are excerpts from the confidential report compiled recently by a team of experts from the International Monetary Fund (IMF) who held talks with senior Vietnamese economic officials on the state of economy of that country. As of May 10, 1984, Vietnam has overdue payment to the IMF totalling SDR 10,205,093, including obligations of SDR 4,079.367 outstanding since February 1984.

In industry, the authorities will continue to emphasize decentralization in economic decision making and greater autonomy in the management of individual plants. With the possible exception of production facilities in the food processing sector, investment will focus on increasing the utilization of existing plant

capacity, and on projects that are near completion. Industrial output in 1984 is expected to benefit from the completion of two cement plants, two textile mills, a sugar plant, and a fertilizer factory. Except for one textile mill and the fertilizer factory, these facilities had originally been scheduled to start operations in 1983. Improvements in the supply of electricity will continue to receive high priority and, in order to alleviate current shortages, the authorities will divert more electricity from residential to industrial use.

Coal production is unlikely to rise substantially before the 1990s, when the construction of several new mines will be completed. Existing production is adversely affected by outdated equipment; a relatively large share of output consists of dust coal. Offshore oil exploration was recently resumed with aid from the Soviet Union.

Financial policies

With domestic revenue projected to rise by 31 per cent and current expenditure by 23 per cent in 1984, the public savings rate may increase from 1.3 per cent in 1983 to 2.9 per cent this year. However because of the relatively large rise in capital expenditure, the overall deficit is expected to remain at around 10 per cent of GDP and, because aid receipts are projected to decline, a larger part (D 6.6 billion) of the total deficit will have to be financed from domestic sources.

Since the beginning of 1984, the authorities have issued bonds, which carry an interest of two per cent and whose nominal value will be adjusted *pari passu* with the rise in official prices. During the two-month period after their introduction, the government sold about D 800 million of these bonds; the target for 1984 is D three billion. However, even if this target is met, government borrowing from the banking system would amount to the equivalent of 1.7 per cent of GDP, compared with 1.0 per cent in 1983.

About D three billion of the growth in revenue in 1984 will come from a reorganization of the national lottery and from sundry revenues such as the sale of property obtained through confiscation. However, despite these additional receipts, the total revenue effort will remain at about 25-26 per cent of GDP, as both transfers from public enterprises and the yield of the agricultural tax are projected to lag behind the growth of nominal GDP.

Current expenditures are projected to fall from 24 to 23 per cent of GDP, largely because of restraint in "other expenditures." The 20 per cent increase in outlays for salaries reflects the

effect of increases granted in 1983; no raises are anticipated for 1984.

Despite recent progress in containing current expenditure, the government budget continue to be affected by a number of structural weaknesses: (1) because public enterprises are allowed to retain only 8-10 per cent of their profits, they rely mainly on the banking system to finance investment and additional working capital; (2) transfers of public enterprises to the budget have included funds that became available from a reduction in inventories (D 1.5 billion in 1983); (3) even with the government claiming a disproportionate share of their cash flow, the transfers from public enterprises have fallen in real terms since 1980, suggesting an erosion in profitability because of rigid pricing policies or falling productivity; (4) the government has not fully met the service obligations on foreign indebtedness, which has understated expenditures; and (5) further rises in foodgrain production will be contingent on higher investments in the agricultural sector, particularly for irrigation.

The absorption by the government of large parts of the cash flow of public enterprises has reduced the government's need for borrowing from the banking system while increasing it for public enterprises. The reduction in bank borrowing by the public sector as a whole will therefore depend on raising additional revenue and on further expenditure constraint.

The authorities have been considering for some time the introduction of import duties and measures to raise the yield of the agricultural tax from about 5 to 10 per cent of agricultural incomes. Other measures that would improve the financial position of the public sector include more flexible pricing policies, so as to capture scarcity premiums in the domestic market, and a reduction in consumption subsidies for workers in public enterprises that have come to benefit from work performance bonuses.

The adoption of lower marginal rates for some of the taxes that were introduced for the private sector in 1983 may lead to higher tax yields, and extension of these taxes to public sector enterprises would encourage these enterprises to make profits after payment of taxes. In addition to greater financial discipline, the latter measure would lead to a more equitable sharing of the tax burden between the public and private sector. Serious consideration should also be given to further reduction in expenditures, particularly "other expenditures," which amount to about 10 per cent of GDP. The authorities agreed to the need for more revenue

and additional expenditure restraint, but did not indicate that policy action in these areas was likely during the course of 1984.

The expansion in total liquidity in recently years has in part been caused by adherence to the credit plan, even when the performance of the economy fell short of the targets, and a preference of public enterprises to finance transactions with new credit rather than with the use of deposits. The authorities intend to slow the growth of total liquidity in 1984 by encouraging enterprises to use their deposits. To this end, they have adopted stricter criteria for the granting of credit for the purpose of financing working capital.

However, the growth of both credit to the government and investment credit to public enterprises is expected to accelerate, which will pose limits on the extent to which the authorities will be able to reduce the growth of credit for working capital. In addition, a reduction in deposits may, among other things, lead to similar injections of cash into the economy as would the additional use of credit; with increases in cash in circulation the main cause for higher retail prices, inflationary pressures would therefore not necessarily be reduced.

The staff team observed that further abatement of inflation would be contingent not only on a reduction of the financial deficit of the public sector as a whole, but also on monetary policies designed to limit in particular the growth of cash in circulation. The establishment of financial relations between the government and public enterprises that would permit the latter to retain a larger share of their profits and other cash resources would have to be an essential element of such policies.

Time and savings deposits have risen rapidly in recent years, in part because of transfers from low-yielding demand deposits; interest rates on demand deposits range from 1.8 to 4.3 per cent and those on time and savings deposits from 12 to 24 per cent. In addition, lending rates are relatively low, ranging from 3.6 to 4.3 per cent for investment credit and from 5.0 to 6.9 per cent for general purpose loans.

The staff team indicated that the structure of interest rates favoured the use of credit instead of deposits and that, for the government's policy of limiting the growth of monetary aggregates to be successful, it was essential that lending rates be brought more in line with maximum deposits rates. Higher lending rates and the payment of interest by state enterprises on loans they receive from the government would promote more efficient use of scarce capital resources.

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SHORTCOMINGS, IMPROVEMENT OF AGRICULTURAL PRODUCT PROCUREMENT DISCUSSED

Hanoi NHAN DAN in Vietnamese 25-28 Jun 2 Jul 84 pp 2, 4

[Series of article by Hong Khanh: "Procurement of Agricultural Products Under Two-Way Contracting"]

[25 Jun 84 p 2]

[Text] In the procurement of agricultural products, a matter of concern for many people is the economic effect resulting from the state supply of materials and industrial consumer goods to the grassroots level and from the amount of grain and food products acquired by the state. The reason is that according to the planning, supply and purchase personnel, the state supply of materials and industrial consumer goods--though still scarce and slowly delivered--is not far short of the norms proportionately fixed for the planned acquisition of agricultural products; on reckoning, it appears that the state supply of some types of goods is sufficient to settle accounts and even surpasses the use norm for an entire province or region but the amount of agricultural and food products acquired by the state through this supply method does not yet correspond to the quantity of goods supplied. On the contrary, many basic units and direct producers contend that after retaining some portions of their agricultural products according to the policy in force, they have sold almost all the remainder to the state though too often the supply of materials and industrial goods has not yet been delivered to them in full. If so, how to distinguish truth from falsehood? To clarify this matter, we have surveyed a number of districts, villages, joint agroindustrial enterprises and agricultural and food product purchasing corporations including those connected with exportation. Following is the situation of the management, distribution and use of materials and goods employed in procuring agricultural products according to the "goods supply versus goods acquisition" formula of the two-way economic contract system.

/Is the amount of materials and goods supplied to the grassroots level to boost production sufficient or not?/ [in bold face]

Over the past few years, according to some new policies, the merchandise funds used to purchase agricultural products have not only been allocated by the central level but have also been supplemented by the contributions of each sector and locality through on-the-spot purchase, expansion of import-export

activities, joint business ventures and cooperation... In 1983, Ho Chi Minh and Haipong Cities and An Giang and Thanh Hao Provinces on their own contributed between 20 and 40 percent of the total volume of materials and goods supplied to the grassroots level for the exchange-purchase of agricultural and food products from peasants. Concerning the homogeneity of materials and goods supplied to the grassroots level to promote production at the proper time, great progress has been made and incongruity gradually reduced. To grow up, riceplants need not only nitrogen but also phosphate and potash. This requirement has been summed up by peasants when they composed the lyrical verse: "No phosphate and no lime, no more peanut planting." According to documents of the State Planning and Supply Coordination Commission, in the past 3 years (1981-83), the state supplied various localities with standard nitrate, phosphate and potash fertilizers amounting to 94.6, 103.2 and 84.8 percent respectively of the supply plan norms. This shows that the amount of fertilizers supplied to boost agricultural production has not been very insufficient. In addition, during the production process prior to the moment peasants brought out their products for sale, purchasing agencies had already provided them with a certain quantity of staple goods under the form of exchange and sale. The home trade sector has revealed that in 1983 the state supplied various localities with 30 million meters of fabric for use in purchasing agricultural products. To strictly comply with the two-way contracts signed with peasants, Vihn Phu Province managed on its own to obtain an additional amount of fabric nearly equal to that supplied by the central level. Other sectors such as industry, building, communications and transportation... have also reexamined material waste and loss norms, opposed wastefulness and used goods economically so that the state might have more materials and industrial goods to meet requirements of the agricultural product purchase plan. In short, though still small and insufficient to meet requirements, merchandise funds represent a great effort of our party and state to vigorously boost agricultural production.

Through the method of directly promoting production and expanding purchase and sale under the two-way contract system, it was possible in 1982 to increase the purchase of grain by 500,000 tons, that of soybeans ninefold, that of handmade sugar fourfold and that of green beans sevenfold in comparison with the quantities procured in 1981. In 1983, for the first time after so many years, the state plan norms were fulfilled and even surpassed in purchasing certain commodities such as grain, pork, fish, sugar and legumes. In the 1st quarter of this year the value of agricultural and food products procured was equivalent to 183 percent of that in the same period last year. But a question to be debated is whether all the materials and goods supplied to the grassroots level for the purchase of agricultural products have been used to promote the growth of crops, the raising of domestic animals, the building of material-technical bases and the life of peasants who brave the weather and work hard--or have been moved around aimlessly or left to stagnate. Has 1 dong worth of materials and goods supplied by the state to the grassroots level brought back a corresponding value of agricultural products and commodities sold by peasants to the state? In answering these questions, many provincial, district, village and cooperative cadres who were responsible for goods distribution and circulation and for two-way contracts and whom we have met gave only a rough estimate of the supply

result. One of them said more honestly: "We have not yet been able to sum up the situation and strike a balance." As a matter of fact, the amount of materials and goods sent down to the grassroots level for the purpose of procuring agricultural products has not yet been managed, distributed and used rationally and sensibly to achieve the right objectives and reach the rightful recipients. In some region and even in the same province which has been supplied by the state with the same kind of goods, a district received more than necessary while another suffered a serious shortage of it. In the same district where the same type of crop was grown, nearly 10 kgs of chemical fertilizer were given to a village [for application to each sao] while another village had only about 1 kg for each sao after trying by all means to get more of it. In the next chapter of this article, we will discuss the causes of this excessive disproportion between surplus and shortage. Following are a few examples which certainly reflect a similar situation in many other localities: In 1983, Tam Thanh District (Vinh Phu Province) needed only about 1,600 tons of nitrate fertilizer but received all in all nearly 2,500 tons from agricultural and food product purchasing agencies. In early 1984, 50 million dong worth of merchandise including 700 bicycles, 40,000 bicycle tires and 20,000 bicycle inner tubes to be used to purchase agricultural products was stagnating in Ha Bac Province; Dong Hung District in Thai Binh Province did not yet use 12,000 meters of fabric and 300 bicycles while Hai Hung Province and Haiphong City were still keeping a stock of fabric and bicycles. At that time, there was a shortage of these goods in many other areas.

The harm done by the above-mentioned unwarranted surplus and shortage has been analyzed by many economists. Beside the principal damage consisting in the failure to promote production and meet daily life requirements and hence to obtain new and greater sources of materials and goods, there are eight others which are the following: false tension in the merchandise and price situation, disproportion between different sources of goods, comparison and envy among various regions, increase in managerial difficulties, decline in merchandise quality, higher storage and maintenance cost, rise in waste and loss percentage, capital immobilization and impossibility to rotate currency. In short, as illustrated by the following remark by the peasants of Nghe Tinh Province: "Unmarketable are goods stagnating in warehouses, productive are those supplied to producers."

/Who are the buyers, who are the sellers and with whom to carry out commercial dealings?/ [in boldface]

We cannot help thinking about the above-mentioned unjustifiable surplus and shortage at a time when materials and goods are not abundant and sufficient to settle affairs and meet the minimum requirements. There are many reasons for this surplus and shortage, namely, inadequate planning, the high level's failure to keep abreast of the situation, the low level's tendency to "exaggerate" things and to provide inflated figures in statements in order to obtain more materials and goods, shortage of transport means, belated and untimely delivery of goods contrary to plowing, transplanting and harvesting schedules or delivery of goods of unassorted merchandise, price instability coupled with frequent

fluctuations, irrational goods exchange rates and so forth. In view of the size of this article, let us consider the way purchase is organized, how the method of exchanging goods under the two-way economic contract system is applied at the grassroots level and specifically the question as to who are the buyers, who are the sellers and with whom commercial dealings are carried out.

When speaking of this problem, many cooperative directors and heads of agricultural production collectives in a number of delta and midland provinces made the following remark: "There still are too many middlemen coming to sign agricultural product purchase contracts. Since the grassroots cadres' professional standard is still low, the arrival of so many purchasing middlemen makes it more difficult to keep track of the situation, to carry out management, to compile statistics, to do economic accounting and to control the sources of goods." In fact, four organizations belonging to four sectors--home trade, foreign trade, marketing cooperatives and food processing industry--have come to the same area to buy its one and only product--meat hogs. To sign purchase contracts, many more middlemen have converged especially on localities having a great variety of crops and domestic animals where the growing of a catch crop overlapping the preceding and following ones and the cultivation of companion crops are being expanded and where concentrated production zones have not yet been created to cultivate and raise some specific crops and domestic animal species. When talking to us, many cooperative directors complained that they had to sign contracts with too many purchasing organizations --for example, with the food sector for the purchase of paddy, with the home trade sector for legumes, with the foreign trade sector for peanuts, with the marketing cooperative sector for meat hogs and with the processing factories for tea. A cooperative producing only some tens of tons of peanuts had to sign contracts with two different organizations: the foreign trade which wanted to buy only good quality peanuts and the home trade sector which wanted to buy only low quality peanuts for domestic consumption. Naturally, the number of purchasing organizations is the same as that of the organizations from which the grassroots level receives materials and industrial goods and which use this merchandise to buy and sell according to the signed two-way contracts [purchasing and supplying organizations are the very same ones].

[26 Jun 84 p 2]

In the rural areas nowadays, because of the positive effect of the product-contract-with-laborers policy, the volume of agricultural products and goods sold to the state has not only increased continuously but has also obviously formed two sources of goods produced by two principal types of producer: one represented by the cooperatives' collective or the production collectives and another by the peasant households. The second source has increased at a fairly quick tempo in the past few years. In certain areas, the village administration or the cooperative management board acts on behalf of both these sources of goods and signs a two-way sale contract with each purchasing organization; in many others, the cooperative management board sign the contract only for the sale of the collectively managed agricultural and food products while the remaining agricultural and food products belonging to each peasant family is

directly exchanged and sold by this family to each organization coming to purchase goods. Therefore, when the agricultural product procurement campaign begins, a truly lively sight with a large crowd is seen at the purchase-sale locations of villages and cooperatives. Also because of the arrival of many purchasing organizations and because of the concentration of many sellers at a fixed period of time, some villages and cooperatives with only a small asset have had to take pains to build six- or seven-compartment houses safely enclosed with a wall or fence; each such compartment is reserved for a purchasing organization which will use it to display materials and industrial consumer goods and temporarily to store the amount of agricultural products and commodities bought during the harvest time. The advantage of this working method is that it enables the purchasing organizations to acquire agricultural products and goods directly and quickly and that peasants have their minds at ease in buying, selling and exchanging goods; but it has also the disadvantage of unwittingly "invalidating" the role of grassroots marketing cooperatives, involving additional expenditures in providing service and transportation means [for the purchasing personnel], enabling the purchasing organizations to "encroach on each other's field" and preventing them from ascertaining that the materials and industrial goods brought in by them have reached the rightful recipients. After depicting the busy scene caused by this organizational method during the agricultural product procurement campaign, an ordinary female member of the Ninh Dan cooperative (Thanh Hao District, Vinh Phu Province) which had set up a seven-compartment house concluded: "It is convenient and beneficial but it has a serious drawback, a loophole which private traders can take advantage of." (In the next chapter, we will deal with the many loopholes from which private traders can derive a profit.)

Out of the total amount of agricultural and food products bought from production installations and apart from its principal portion bought by the official purchasing agencies, there is also a not-so-small subsidiary portion bought by "on-the-spot agencies" belonging to the province, district and even village. To secure this "subsidiary" portion, many localities frequently resort to the method of assigning an additional agricultural and food product sale norm above and beyond the obligation quota and sale norm previously allocated according to plan to each production installation. Since they do not have enough materials and industrial consumer goods for use in buying this additional amount of agricultural products, some localities lower the exchange-purchase rate fixed by the state or become indebted to peasants and will try to pay his debt later on. A new situation will thus develop when some kinds of goods delivered by the high level in sufficient quantities according to plan become insufficient and when more agricultural and food products are sold by production installations but most of which do not fall into the hands of the state central level for overall distribution. Instead, the majority of this "subsidiary" portion is moved about and exchanged repeatedly and, in some areas, even sold to outsiders to derive a profit from the price differential to defray local expenses. Speaking of this situation, some district committee chairmen frankly said: "Doing so is quite troublesome but if they did not do so, they could not have any other source of income to cover expenses. Here is a minor example: In the past, when going to the district or province seat to attend a conference,

every village or district cadre would bring along a potful of rice and 0.3 dong to buy food; at present, nobody does so any more. How can the provincial or district authorities let the low-level cadres go home with an empty stomach after the conference?" This problem is worth considering and some satisfactory policy and system must soon be promulgated to avoid such "interference" in the agricultural product purchase at the grassroots level. Let us look at some complex figures about Vinh Phu--a province which so far has done a fairly good job of methodically carrying out two-way economic contracts--in order to see more clearly how much the above-mentioned state of affairs has "interfered" with the agricultural product purchase: In 1983, the various districts owed the province 4,628 tons of nitrate fertilizer and the province owed the districts 1,040 tons of the same product; as for phosphate fertilizer, the districts owed the province 556 tons while the province owed them 1,449 tons; concerning potash fertilizer, the districts owed the province 358 tons while the province owed them 172 tons; with regard to fabrics used to exchange for port, 4,900 meters were owed to the people.

The convergence of many purchasing organizations on the same region or production installation has also created huge discrepancies between two-way exchange rates for the same kind of goods during the same period of time. As reported by the Vinh Phu Province economic arbiter, in 1983, the exchange-sale rate was only 5 kgs of beans for one No 650 bicycle tire in Phong Chau District but rose to 7 kgs in Thanh Hoa District and 9.4 kgs in Vinh Lac District. The opinion of many people was that exacting a larger volume of goods was actually raising the price. As in the saying: "Water flows to hollow grounds," agricultural products were thus surreptitiously moved from areas with a low exchange-purchase rate to those with a higher one. After selling their agricultural and food products to fulfill the obligation quotas, many peasant families in these [low exchange rate] areas brought their surplus products to high exchange-purchase rate areas for sale or carried out commercial dealings through the medium of private traders. Consequently, the materials and goods supplied to the grassroot level were not directed in sufficient quantities to the crops and domestic animals in key areas according to the plan to make additional investments to obtain plenty of agricultural products; meanwhile, production installations found it difficult to manage the work force and to regulate production while the trade sector found it impossible to grasp the goods and difficult to regulate overall distribution, which resulted in wastefulness to the society's detriment. Here is an example: Green beans are abundant in Nghe Tinh Province so that as many as 700 tons can be purchased in Anh Son District alone. However, last year the home trade sector could buy only 40 tons because it effected the exchange-purchase of goods at a lower rate than that offered by the foreign trade sector. At that time, green beans were in great demand in Hanoi and the northern industrial zones. Therefore, the home trade sector had to go to Dac Lac to buy 1,300 tons of green beans and to carry them to Hanoi with a loss of 60 tons, not to mention the transport cost. As for the green beans bought from Nghe Tinh by the foreign trade and some other organizations, they were carried to Ho Chi Minh City for exchange-export purposes. We think it useless to further analyze the harm done by the roundabout traffic of this kind of goods. It needed only an exchange of

places--that is, had the foreign trade sector bought green beans in Dac Lac and carried them to Ho Chi Minh City for export and had the home trade sector bought this product in Nghe Tinh and carried it to Hanoi, both sides would have profited from this move because less transportation cost would have been incurred, which would ultimately benefit the society too.

So how must the agricultural product purchase under the two-way contract system be organized to achieve the objective of directly serving agricultural production, stepping up its development, advancing agriculture gradually to socialist large scale production, further tightening the worker-peasant alliance relationships and contributing to promoting and intensifying socialist transformation, to strengthening market management and to the stabilization of prices and the control of goods and currency, thus insuring the interests of both the collective and peasantry? In short, based on the opinion of many village, district and provincial cadres and of some directors of agricultural and food product purchasing corporations we have met and following a practical research conducted in a number of localities, we would suggest that only these three purchasing organizations be allowed to continue to function: The purchase of paddy and subsidiary crops must be entrusted to the food sector as for some time past; the foreign trade sector must buy goods only from large-scale, concentrated production and animal husbandry regions; the home trade sector must assume the purchase of all the remaining agricultural and food products including those from all areas with a great variety of crops and domestic animals. According to the fixed plan norms, on completion of the purchasing task by the home trade sector, products destined for export must be handed over to the foreign trade sector and products to be used as raw materials to produce consumer goods (except those coming from raw materials concentrated production zones and already belonging to processing installations) must be delivered to the sectors concerned; the remaining products must belong to the home trade sector which will regulate and distribute them according to the state plan. In this manner, production installations will have to sign contracts with only two or at most three purchasing organizations. Also, the purchase of all agricultural and food products and goods from the grassroots level as well as the resale of materials and industrial goods supplied by the high level according to the signed contracts must be entrusted to grassroots marketing cooperatives (this problem will be discussed in the next chapter). Purchasing agencies must keep only the merchandise funds destined for purchase according to plan norms but the management and supply of this merchandise must be directly handled by material supply organizations or by commercial corporations which uniformly manage specified categories of goods. The current practice of purchasing agencies in certain areas which supply goods according to two-way contracts and simultaneously assume the purchasing function must be stopped.

The above-mentioned suggestions by many people have led to the conclusion that only by rationally assigning the purchasing task can we stabilize the investment plan for crop cultivation and animal husbandry and hence obtain new and more abundant sources of agricultural products and goods. However, the opinion expressed by some people shows that they are still wavering. Purchasing agencies fear that this working method will make it difficult for them to carry out the

plan because their goods will likely be borrowed "unexpectedly." As for the peasants directly selling their agricultural and food products, they are afraid that their turn to buy goods will not come around because in certain areas when industrial goods were delivered to grassroots marketing cooperatives acting as sale agencies, they were immediately exchanged-bought by team leaders and the accounting and management board members and their relatives especially if the goods were of high quality and met the buyers' predilections and if the exchange-purchase rate was high. One of the district cadres to whom we imparted these worries said after a moment's reflection: "To have less trouble, let us apply the 'buy dearly, sell dearly, choose freely' formula!" But he immediately discarded this idea: "I said so... but buying and selling dearly will create more trouble, only the nimble-footed people will get the merchandise and it will be impossible to foresee the continuous price hike. Since the sources of goods are limited, it is all the more necessary to strengthen a uniform and concentrated management to insure proper execution of two-way economic contracts."

Certainly, this question needs further debate before formulating specific regulations to satisfy both buyers and sellers.

[27 Jun 84 p 2]

[Text] What loopholes have been taken advantage of by private traders?/ [in boldface]

Realities in the purchase and sale of agricultural products and goods at the grassroots level under the two-way economic contract system have shown the following four principal loopholes which have taken advantage of by private sector;

First, a number of sectors, localities and units have on their own fixed floating prices, thus raising their goods exchange-purchase rates higher than those fixed by the state. We have already discussed some aspects of this problem in the preceding chapter. Because of the huge differences between the exchange-purchase rates for the same kind of goods applied by various localities and purchasing organizations, consumer goods have been bought in low-price areas and resold in high-price localities and have thus fallen into the private traders' hands. Usually, the purchasing period coincides with the harvest time when peasants are up to their necks in work and when few families have time to go out to buy or sell goods. Taking advantage of this situation, a number of lazy countrymen reluctant to do hard work have shifted to commercial activities. At the beginning, they "bought and sold goods on behalf of" peasant households in their own hamlets who were busy working in the ricefields. Afterward, they expanded their commercial activities to other hamlets and villages. In this way, they have gradually got into the habit of extending activities from near to far places and making a greater and greater profit and have ultimately become a link in the "centipede" network which provides a source of agricultural goods for private traders in cities and along major roads. The director of Tho Son cooperative (Tam Thanh, Vinh Phu Province) complained about this situation when talking to us and expressed the regret that after the recent :

lacquer harvest, about 10 tons of lacquer belonging to peasant families (equivalent to half the amount of lacquer sold by the cooperative to the state) were funneled by private traders to Ha Son Binh and Hanoi...

Second, some purchasing organizations are unduly strict about sending goods to the grassroots level--that is, they will supply whatever goods they have in stock though knowing clearly that the locality they are bringing the goods to does not need much of it. Some people did not believe this story when they first heard about it. According to some directors of agricultural and food product purchasing corporations, inwardly they did not want to do so but were "compelled" to dump goods on the grassroots level for these three reasons: When signing a contract with the grassroots level, the corporations did not know in advance what kinds of goods would be distributed by the high level and when they would be delivered; once the goods had been allocated to the merchandise funds used to purchase agricultural products, they could not be exchanged, sold or moved elsewhere; with this stock in hand, if the corporations did not deliver goods to the grassroots level, they would have nothing at their disposal to carry out the agricultural product procurement plan. A number of production team leaders, agricultural cooperative directors and even ordinary peasants in areas where some purchasing organizations delivered industrial goods belatedly and insufficiently or were indebted to the grassroots level but failed to settle accounts squarely confided to us as follows: "Selling agricultural goods and then buying industrial ones which do not conform to our wish is still better than accepting an 'IOU.'" This is why the dumped goods soon left the peasant households and fell into the hands of speculators and underhand dealers. The same Tho Son cooperative director also revealed that though lacquer trees fertilized with nitrate usually grew weakly and produced little latex and though few people wanted to use this fertilizer, the purchasing organizations continued to bring in nitrate fertilizer for exchange at a time when the lacquer tree growers needed fabric and working tools. Therefore, the nitrate fertilizer went through the private traders' medium to other regions where other types of crops were grown.

Third, only general, unspecific conditions were stated when contracts were signed. The purchaser encouraged the production installation to grow plentiful crops but when the purchasing time came and when he found that the money he brought along did not suffice to pay for the available goods, he would choose to buy only the good quality ones to the exclusion of those of average and poor quality or would try to back out gradually and let the production installation sell to anyone whomever if prices began to fluctuate, if the market demand lessened and if transportation means became difficult. On its part, the production installation did not know exactly the extent of its needs and only roughly estimated the required amount of goods so that when the purchasing time came, it had to accept the goods delivered or if the goods were not delivered in time by the high level, would take it as a pretext to sell part of its agricultural products to outsiders. Meanwhile, another purchasing organization needed and wanted to buy these agricultural products but had not planned this purchase in advance and consequently did not have enough time to secure enough goods and bring them down to the grassroots level for exchange. Many tons of agricultural

products thus fell into the speculators' hands. This situation has often arisen in many regions and is the cause of the recent unmarketability of garlic in Ha Bac and Hai Hung Provinces. People in Bac Giang City contrived to slice and dry garlic over a fire and in the sunshine but could not process all the product in their possession. Traders then sneaked to the South to buy rice and bring it to the North to exchange for garlic; afterward, they carried garlic to the South and sold it at a price three or four times higher than the purchase price. The North-South trains thus became more crowded with passengers and more disorderly.

Fourth, the local administration and the purchasing organizations have not been closely coordinated. The grassroots administration has let purchasing organizations apply the principle that he who sells a large quantity of agricultural and food products will be entitled to buy a correspondingly large amount of materials and industrial consumer goods. The purchasing organizations have been merely concerned about fulfilling and overfulfilling the purchase plan norms without bothering whether the agricultural product sellers are village peasants or traders coming from other areas. Because of this loose coordination, part of the materials and goods supplied by the state has not reached the rightful recipients, supplies have become less effective and it has been impossible to achieve a balance for the investment plan on crop cultivation. The regions which we have visited and surveyed are more or less in this situation. Beside the majority of peasant families who have worked honestly and arduously in all weathers to produce plenty of agricultural and food products to sell to the state and who have bought from it a corresponding amount of materials and industrial consumer goods, there are a number of households engaged in speculation or commercial activities on behalf of private traders for the purpose of receiving a commission. As a result, in some regions where in the same hamlet with the same working conditions and with the same contractual production norms for the same crop and the same domestic animal species, after selling their agricultural products some family could buy at the same time 30 to 40 meters of fabric and 15 liters of kerosene while another could buy only one-fourth of these amounts and another again could not buy even 1 liter. After selling their agricultural and food products to the state, even the families who earned their living by legitimate work did not want to buy at once more than 10 meters of fabric and 6 or 7 aluminum saucepans but wanted to buy other essential goods. For lack of these essential goods, they would take out fabric, saucepans, bicycle tires and even nitrate fertilizer and kerosene to other places for sale or would sell them through the traders' medium in order to buy the needed merchandise. What the buyers wanted was convenience, quickness and usefulness. This accounts for the tortuous traffic of these goods. Therefore, at a time when the materials and industrial goods destined for the grassroots level are in short supply and when many kinds of goods are still lacking, what must be done to limit the intermediary commercial activities of private traders at the grassroots level and to ensure distribution according to the labor principle and in conformity with reason and sentiments? In the next chapter, we will deal with the initial experiences of district and villages which have done their job well in this respect.

The above-mentioned loopholes are one of the reasons for the difficulties in and the slow progress of the socialist transformation of the free market and especially of private traders. Since the market is a unified entity, it will be impossible to bring about any change if some localities vigorously conduct the reform and reorganization of various trading sectors while others carry out this task sluggishly. Even if the purchase of agricultural products and goods is carried out properly but if the private traders' reform is done mildly in municipalities and cities, the sources of agricultural and food products grasped by the state will likely "evaporate" gradually in the process of distributing these commodities to salaried laborers and it will also be difficult to stabilize market prices. Conversely, if the private traders' reform is carried out satisfactorily in municipalities and cities but if the purchase of agricultural and food products under two-way contracting is done improperly at the grassroots level, there will remain "grounds" for speculators and underhand dealers to deliberately avoid reform and to continue their commercial activities to earn their living and enrich themselves. The market's actual situation in Hanoi and some other cities has demonstrated that while reorganization is being done successfully in one area, shortcomings appear in another just because goods continue to be siphoned out of the rural areas. According to statistics of the Public Restaurant Service, in 1982, 19,021 private traders were engaged in the restaurant and beverage business and set up "teashops" along main roads in the urban and suburban areas of Hanoi and that this figure rose to 21,081 in 1983. In Thai Binh--a province abundant in agricultural products and goods with 249 villages--, there are 30 to 50 private traders on the average in each village who have taken advantage of the situation to deal in these commodities. By the end of the 1st quarter of this year, the total number of traders in Haiphong has increased by several hundreds in comparison with the result of a survey ending on 1 July 1983. This is another reason why whenever the state stores have some kind of goods in stock, the free market will also have it, including those uniformly managed by the state; worse still, in some areas, the free market sometimes has more of these goods than the state stores.

[28 Jun 84 pp 2, 4]

[Text] /To what extent must the district level regulate the flow of merchandise?/
[in boldface]

Many districts cadres and even the provincial ones working with sectors involved in merchandise and currency have unanimously agreed that it is no longer necessary to further discuss the need for and important position and role of two-way economic contracts. To carry out two-way contracts with peasants means not only directly to serve agricultural production and promote its development to the benefit of the state and simultaneously of the collective and producers but means also to use a planning instrument. What these comrades are concerned about and consider worthy of further debate is--under the present circumstances when the supply of materials and industrial goods to the grassroots level is sometimes belated, heterogeneous and inadequate--what must be done to ensure that the procurement of agricultural products continues to meet these requirements: putting goods

into the hands of the state, the peasants' enthusiasm and peace of mind in performing production, consolidation of the socialist production relationships and prevention of negative manifestations... Concerning this matter, there are two different opinions:

First, it is advisable to boldly entrust the district level with regulating the flow of materials and goods delivered to the grassroots level by purchasing organizations. The proponents of this opinion argue that after signing two-way contracts with the grassroots level and principled contracts with the district authorities, purchasing organizations will not need directly to use goods to exchange for the peasants' products but had better entrust the district commercial service and the grassroots marketing cooperatives with the purchase and sale of goods by proxy. After assessing accurately the production and consumption needs of each village and cooperative, the district will regulate the flow of materials and industrial goods on the basis of the signed plan norms and each sector directly in charge of merchandise management will then bring goods to the grassroots level to meet requirements of the agricultural product purchase in each area of the district. If this is done, the materials and industrial goods sent to the low level will exactly meet the production and consumption needs, thereby reducing instances of goods shortage where they are needed and goods abundance where they are not, strengthening internal unity among the peasantry, providing conditions to maintain social order and preventing monotony of goods supplied by purchasing organizations. Signing a contract is accepting legally compulsory conditions. If, by the end of the purchasing campaign, a comparison with the contract shows that a district has failed to fulfill it and to deliver the exact amount of agricultural and food products corresponding to the volume of materials and goods supplied by the high level, this district will be compelled to pay indemnities and subject to appropriate disciplinary measures.

Many proponents of the second opinion welcomes the idea of entrusting the district level with the job of regulating the flow of merchandise but some of them are still hesitant and doubtful about this level's ability to carry out this task because it has only been accustomed to administrative management and has just started handling economic affairs. They doubt whether the high level--especially general agencies and purchasing sectors--will dare give the district level a "free hand" or are still afraid of having to "chase the chicken and catch it after letting it loose."

Following is another proposal by a number of district cadres concerning the merchandise supply to the grassroots level: Based on the low level's abilities and the high level's needs, the state may assign agricultural and food product purchase norms to the district level and hand over to it a certain amount of material and industrial consumer goods together with an exchange-sale price list for each specific category of goods; the district will, however, be empowered to decide on the purchasing method and time and the goods exchange-purchase ratio because the harvest time and merchandise needs vary with each locality and region. It is also necessary to send and sell industrial consumer goods in advance to the grassroots level and to spread the sale evenly throughout the peasants' production months instead of clinging to the old habit of

delivering industrial consumer goods for exchange-sale only when peasants begin the harvest. If goods are thus dumped at a time, it will be difficult to manage them and promptly to serve production and meet daily life needs and waste and losses will probably occur.

In fact, a province allowed tens of thousands of two-pack batteries to deteriorate while another let dozens of tons of cement harden into rock merely because both had stocked up with merchandise and waited until the agricultural product purchase time to take it out for sale and because they had obstinately applied the "every fund for its particular type of goods" motto without flexibly managing and transferring some needed goods from one merchandise fund to another. Though badly needed in summer time, undershirts were put up for sale only in winter. Stationery supply did not come into sight at the beginning of the new schoolyear when the peasants' children needed a lot of paper and pens but these articles were later drawn from the merchandise fund for agricultural product purchase and delivered during the 5th month rice procurement period which coincided with the school summer vacation. Based on these practical facts, the ordinary peasants contacted by us made the same proposal: "In purchasing agricultural products under the two-way economic contract, the state should deliver in advance fertilizers, tools, building materials and some staple commodities instead of using ordinary consumer goods for exchange-purchase purposes. It would be more convenient to deliver the latter type of goods to grassroots marketing cooperatives for routine sale on presentation of household registration books."

Thanh Hao--one of the districts we have visited and surveyed--has begun to regulate the merchandise distribution for the purchase of agricultural and food products. Its working method is as follows: After signing a contract with the production installation represented by the cooperative management board, purchasing organizations such as the food and home and foreign trade sectors and the tea enterprises' federation will sign another contract with the district material supply corporation which, under the direct guidance of the district people's committee, will deliver goods to each production installation according to the progress of each crop cultivation season and to the vital needs of each area in the district. The amount of goods delivered in this way will depend on the needs of each production installation and peasant family which had been made known previously and summed up. The goods used to exchange for the agricultural and food products of the collective will be directly delivered to the cooperative management board or production units. As for the merchandise--most of which is industrial consumer goods--used to exchange for agricultural and food products of each peasant household, it will be delivered to the grassroots marketing cooperative acting as a buying and selling agency [of the district]. If, at the delivery time, goods are found to be nonhomogeneous or if a reassessment leads to the discovery of surplus of some kind of goods and shortage of another, the district will, with the province's permission, promptly make a readjustment by temporarily borrowing goods from some merchandise fund and transferring goods from a merchandise fund to another in order quickly to serve production and meet the people's daily needs. Whenever materials and goods are delivered in large

quantities and the requirements of production and purchase of agricultural products make it necessary to set up many working sites at the same time and lead to a shortage of transport means and storehouses, the district will assume the regulatory and organizational task and contact provincially or centrally run organs and enterprises stationed in the district area to secure their assistance in matters of transport means, storage and labor force.

The initial result of the above-mentioned working method of Thanh Hoa and other districts in Vinh Phu Province is less disorder and confusion and a greater economic effect of the state supply of materials and industrial goods versus the amount of agricultural and food products acquired by the state. For example, in the past, any peasant family selling plenty of agricultural products to the purchasing agency was sometimes entitled to buy more than 10 liters of kerosene while other households who had not yet made their agricultural products available for sale did not have kerosene to light a lamp in the evening to enable their children to study. According to the saying: "When alive, people need kerosene for their lamps; when they die, they need trumpets and drums at their funerals," kerosene is a type of goods which is essential, indispensable to the people's daily life. At present, all districts have regulated the distribution of this goods by fixing a maximum norm required for its exchange. As a result, every household has kerosene to light lamps and life in hamlets is more joyful. In 1983, out of a total of more than 500 agricultural cooperatives in Vinh Phu Province, only 5 in the highlands did not yet sign the two-way contracts for state purchase of agricultural and food products. Vinh Phu has fulfilled and even exceeded almost all norms for state purchase of agricultural and food products.

/To what extent have marketing cooperatives played their role?/ [in boldface]

Experiences have demonstrated that many districts and villages have for the first time been able to overcome disorder and confusion, to eliminate surplus and shortage and to avoid delivering goods to the wrong recipients because they have boldly empowered grassroots marketing cooperatives to act as buying and selling agencies. Though subordinate to the collective economic sector and mostly operating on a small scale with a small capital, these agencies have been organized everywhere and are of a highly socialist nature. The objective of the business activities of marketing cooperatives is to promote production and to meet the daily needs of people at the grassroots level; their primary and direct task is to serve agricultural production and the collective and household economies.

Following are some examples: With a population of 10,000 and situated 8 kms from Ben Tre City and alongside the Luong Hoa River, Luong Hoa Village is abundant in agricultural and food products including rice, coconuts, bananas and sugarcanes. It has 343 hectares of coconut palms and 400 hectares of rice and its sugarcane output is enough to process 1,500 tons of sugar a year. On the average, every two households raise one meat hog and two-thirds of the total number of households in the village own ponds where they breed fish and shrimp for export, and also keep honeybees and raise buffaloes and cattle. The Ben Tre Commercial Service director told us that up to 1981 the state could

not purchase most of the rather plentiful agricultural and food products yielded by this village. A marketing cooperative was set up in the village but the village administration paid no attention to it while the agricultural product purchasing organizations of various provincial and district sectors "disregarded" it when visiting the village and even competed with it in buying goods. Confused and disoriented, the village's marketing cooperative shifted to long-haul business transactions and forsook the grassroots area market which was then freely monopolized by private traders. The materials and industrial goods brought to the village by purchasing organizations in exchange for agricultural and food products were thus gradually diverted to speculators and smugglers. However, since early 1982, after realizing clearly the consequences of the neglect of the marketing cooperative's role, Luong Hoa Village has continuously strengthened this effective supportive force by appointing two party members and seven energetic youth union members as activists in the cooperative and has clearly defined that the cooperative's main task is to act as a buying and selling agency of the purchasing organizations of the state commercial service and, on this basis, satisfactorily to serve production and the villagers' daily life. In 1983, the Luong Hoa marketing cooperative acted as an agricultural and food product purchasing agency for purchasing organizations of the home and foreign trade and food processing industry sectors..., handling a total merchandise value of 26 million dong including 300,000 coconuts, 70 tons of crude sugar, 4,885 tons of sugarcanes (representing 80 percent of the total sugarcane output of the village), 10 tons of export shrimp, 35 tons of bananas, 80 percent of the total number of pen leaving hogs and so on. Acting as an agency, the cooperative also sold materials and consumer industrial goods (including 5,000 handtools) consigned by purchasing organizations and totaling 25 million dong in value, which was four times greater than in 1982. A greater result of more profound significance is the creation of a more trustworthy bond between state purchasing organizations, production collectives and peasants having agricultural products and commodities to sell under the two-way economic contract system.

The experience drawn from Luong Hoa and other effective marketing cooperatives in the provinces of Thai Binh, Nehe Tinh, Quang Nam-Da Nag, Binh Tri Thien, Tien Giang, Hau Giang and so on have demonstrated that to obtain goods at their very sources through contractual purchase and sale, especially of production materials, we cannot do without the assistance of marketing cooperatives at the grassroots level because they are places where commercial dealings are carried out directly with rural producers and consumers and where conditions exist to grasp the economic situation, to formulate a production and consumption plan for each peasant household and to use it as a basis for planning from the low to high level. Only if marketing cooperatives are stable can district commercial corporations fulfill their mission under favorable conditions and only through the activities of grassroots marketing cooperatives under the guidance of the village party committees and administration and with the participation of mass organizations (Peasants' Association and Youth and Women's Unions) can we manage the rural market.

[2 Jul 84 pp 2, 4]

To date, throughout the country, there are nearly 8,800 grassroots marketing cooperatives located in 95 percent of the total number of villages and wards, including over 14.5 million cooperative members--who are mostly peasants--and forming a widespread working network involving nearly 20,000 marketing and servicing shops and production and processing installations. But worth considering is the fact that despite such a broad expansion of the marketing cooperative network, private traders--as a minority--have continued to sneak into hamlets to "gain the upper hand" in buying agricultural products and selling materials and industrial consumer goods by "passing them from hand to hand" while the state purchasing organizations do not yet dare really trust the grassroots marketing cooperatives and consign merchandise and money to them even though they are willing to serve as purchase and sale agencies. Where and in which stage are obstacles to be found and how can they be removed? We have conducted a research at many marketing cooperatives in Vinh Phu, Nghia Binh and Quang Nam-Da Nang Provinces and Hanoi City. When discussing this question, many cadres and cooperative members eagerly expressed their views about three principal obstacles which can be summarized as follows:

First, many party committees and the administration at the grassroots level still make light of the role and position of marketing cooperatives and have not yet realized that they are an indispensable part of the rural organizational structure. They have, therefore, put these cooperatives entirely in the care of certain cadres and have neglected to help them even to build material-technical bases.

Second, the marketing cooperative network is widespread but almost all its cadres and employees have not attended "commercial" vocational schools or courses, are merely newcomers from other sectors, are frequently transferred to other positions and are not yet treated according to any appropriate policy and system. Some persons have compared this organizational status to that of "ducklings tended by a mother hen" because while marketing cooperative cadres from the district level on up are on the state rolls, those at the grassroots level are "kept by the people." This has led to the following comparison: With the same type of service, of the same age and with the same seniority--whenever they are no longer physically fit for work and retire--state store employees can rely on the state system [of retirement] but the marketing cooperative personnel has nothing to look forward to. This matter deserves attention.

Third, certain purchasing organizations still think they are "imposing, authoritarian big brothers and sisters" of grassroots marketing cooperatives. Though willing to entrust the purchase of agricultural products and goods to grassroots marketing cooperatives, these purchasing organizations have not created adequate conditions for the cooperatives' function; worse still, when finding that a certain category of goods is "profitable"--that is, subject to a rational exchange-purchase price and salable--, these purchasing organizations would directly exchange it with peasants and would consign to the marketing cooperatives only those goods which proved "bony"--that is, contrary to the buyers'

predilections, delivered belatedly, cumbersome, difficult to preserve and so forth. Certain policies on tax, credit, material supply, commercial discount and agency's commissions do not yet suit the present actual situation in order to create conditions for grassroots marketing cooperatives to accumulate capital and expand commercial activities.

On final analysis, to master distribution and circulation is to make sure that the finished goods quickly reach the laborers' hands according to plan without going through the medium of profiteering speculators. To this end, the marketing cooperatives' presence at the grassroots level is indispensable and removing the above-mentioned three obstacles is an urgent and necessary task.

/The state commercial sector must progress rapidly./ [in boldface]

Because of the soil nature, climatic characteristics and production and stock-breeding conditions and habits in each region, the sources of agricultural goods and food products in our country are distributed unevenly and most of them are concentrated on almost all hamlets and villages. Of the total volume of agricultural and food products recently purchased for the state and including those for export, 70 percent came from the cooperative sector and peasant households. In particular, almost all the pork purchased came from these households. Some kinds of merchandise are produced only in some regions but are used throughout the country. For example, there are plenty of soybeans only in 12 districts of the 3 provinces of Cao Bang, Ha Bac and Dong Nai and plenty of waterpipe tobacco in the 3 districts of Tien Lang and Vinh Bao (Haiphong) and Thai Thuy (Thai Binh Province); tea is produced abundantly in the four provinces of Bac Thai, Vinh Phu, Hoang Lien Son and Lam Dong and peanuts are found in large quantities in Nghe Tinh and Ha Bac Provinces, etc..

The people's consumption of commodities also varies with each region. Usually, daily meals in the South, especially in municipalities and cities, include bean sprouts (made of mung beans) and those in the North include soya cakes (made of soybeans). In 1983, nearly 10,000 tons of soybeans were used as raw material to make soy cakes sold only on presentation of food stamps and coupons in the northern cities and industrial zones. People in Hanoi and some other cities prefer fresh food including fish, freshwater crabs and vegetables. On the contrary, people in the midland and mountain regions and even some areas in the delta prefer dried and processed food because it is easy to cook and preserve. In view of these diversified needs at a time when the available fuel and transport means are still limited, when the material-technical bases used to preserve and process food are still inadequate and when the composition of each household's daily meals has not yet been renovated, it is all the more necessary for the socialist commercial sector--especially the state-operated one--to advance rapidly and take dynamic and appropriate measures to acquire goods and properly organize their distribution and circulation.

Since production has developed in the past few years, purchasing organizations have made some progress in controlling the sources of agricultural goods and food products but this progress does not yet correspond to the result of

production. In 1983, it was possible to purchase only about 50 percent of the total number of pen leaving meat hogs and 56 percent of the total output of handmade sugar. Following the recent 1983-84 sugarcane harvest in the North, it was possible to purchase only about one-fourth of the total output of 920,000 tons of sugarcane. Wherever we went, we heard many people speak about the following two principal reasons for the state failure to grasp a noticeable amount of agricultural and food products: irrational purchase prices; and the weakness, passivity, overbearing attitude and inconvenient working method of the state commercial sector whose installations are still scattered and not yet closely coordinated.

We would like to skip over the first reason because the pricing problem is being studied by the party and state. Let us consider the second reason because despite their similar circumstances, work forces and conditions, there are areas where the state commercial sector has moved forward and satisfactorily controlled agricultural products and goods while in other regions, it has progressed slowly with difficulty, suffered business losses and allowed large quantities of agricultural and food products to be diverted into the free market. Why so?

Concerning the labor force, according to a report by the home trade sector, the present total number of cadres and employees in business organizations subordinate to the state commercial sector is over 220,000 including 23,000 managed by centrally run corporations and nearly 200,000 administered by local authorities. If more than 70,000 employees of marketing cooperatives are taken into account, the entire home trade sector's personnel would number about 300,000 representing 0.36 percent of the total population of the country. Of these 300,000 employees, only 5 percent have the middle school education standard or higher and party members constitute only a very low ratio, especially in organizations directly in charge of purchase, sale, merchandise and currency. Moreover, this insufficient and weak force is being scattered and spread thinly, has not yet been reorganized rationally and geared toward central tasks, key areas and important trading sectors and, in some areas, has not been adequately and duly instructed by the local party committees and administration. Many cadres and employees of the state commercial sector still have different views. Holding that business activities must be highly profitable, a number of them are inclined to buy only profitable, good and preservable commodities and to neglect the purchase of "sundries" and cumbersome goods though this task has been assigned to them and though these goods are needed by society. On the contrary, others believe that rendering service means selling whatever goods supplied by the high level or buying merchandise at any cost in order to have a stock in hand to render service and that loss or profit, increased transport cost, and spoilage due to inadequate preservation are to be borne by the state (not to mention merchandise withholding, underhand dealings and reserving good quality merchandise for oneself and one's relatives).

Actually, commerce and service are two separate tasks having a common objective. Rendering service is the objective of the socialist commercial sector and commerce is a method employed to fulfill this objective. For the socialist

commercial sector, rational sale requires rational purchase. Buying goods in order to sell them to meet production requirements and daily life needs means rendering service.

Recent experiences have demonstrated that some localities have obtained a fairly good result from the purchase of agricultural and food products because they have considered it primarily important to exploit on-the-spot sources of commodities and also because the home trade sector has, at the same time, tried to fulfill its function of managing the domestic market and has gradually reduced overbearing manners, inconvenient formalities, unfair practices and the presence of many middlemen, uniformly concentrating the purchasing task on the home trade sector under the direct leadership of the local party committees and administration and simultaneously improving certain procedures and mechanisms. Quang Ninh, Hai Hung, Hau Giang and Vinh Phu Provinces have obtained a much greater result than in the past from the purchase of many kinds of agricultural goods and food products under the two-way contract system. In the first 5 months of this year, Agricultural Product Corporation No 1 (Ministry of Home Trade) signed contracts to buy tea, coffee, soybeans, mung beans, soaked kenaf and rush mats (from Binh Tri Thien Province northward), fulfilling 100 to 125 percent of the yearly plan. As a further proof, may we quote many provincial and district cadres who talked to us: "Our peasants are very patriotic, sentimental and loyal. It is not because of a 5- or 7-dong fluctuation in the prices of agricultural products but mainly because purchasing organizations have frequently modified their policy, unilaterally suspended merchandise delivery, changed goods exchange rates and failed to pay their debts squarely at the due date that peasants have become less confident in the fulfillment of contracts. In our opinion, the state had better frankly tell the peasants which kind of product it wants to borrow from them, which type of goods is not yet available and which type of product it needs to mobilize for political purposes; in commercial dealings according to contracts, however, there must be honesty, fairness and mutual benefit."

After studying the situation and practical experiences of a number of localities, we have come to this conclusion: Under the present circumstances when materials and industrial goods are not yet abundant,--if purchasing organizations work in a more scientific manner, reduce the number of middlemen and boldly entrust the district level with the task of regulating the merchandise flow within the authorized scope, if the marketing cooperatives' role is developed and the state commercial sector's responsibility emphasized and if, at the same time, the sectors concerned are closely coordinated and the party committees and administration at all levels provide timely guidance--, the result and economic effect of the procurement of agricultural and food products under two-way economic contracting will be much greater and really consistent with the significance of this task.

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CSO: 4209/377

ECONOMIC PLANNING, TRADE AND FINANCE

POOR MARKET PRICE CONTROL CRITICIZED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 13 Jul 84 p 1

['Saigon Citizen's Podium' Column: "Cooperative Commerce Must Fulfill Mission"]

[Text] On 7 July 1984, I went to the Ben Thanh Market to purchase some pork. Praiseworthy here is that the consumer cooperative has set up an independent pork sales stand to control prices at the privately operated meat stands. However, because there were many customers and the amount of meat was limited, I had to stop at a private stand to make my purchase. On the price list I saw that lard was 100 dong per kilogram but upon making the purchase, the seller stated that one-half kilogram was 80 dong and in a challenging tone, pointed in the direction of the cooperative stand which had just run out of goods.

Through this incident, we see that the time has come when we must have an appropriate formula for transforming the private butchers by changing them into agents of state-operated commerce. They are private merchants with an extremely large daily business, from 60,000 to 100,000 dong, which is not fully controlled by the market management committee.

As family housekeepers, we fervently hope that the management sectors work to strengthen their management; besides price inspection in the markets, they must examine prices from their very source in the junction markets in order to maintain market prices.

Pham Thi Hoang
1st Precinct

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CSO: 4209/422

ECONOMIC PLANNING, TRADE AND FINANCE

BRIEFS

THAI BINH RESETTLERS--Over the past 6 years Don Hung District, Thai Binh Province, has sent 4,372 families of 24,470 persons to various new economic zones. The province is launching a campaign to send more people to localities to build economic zones by giving, in addition to the regular supplies, 500 dong and 90 kg of rice for each person, and from 1,000 dong to 2,000 dong for each cadre accompanied by his family. [Summary] [BK231549 Hanoi Domestic Service in Vietnamese 1430 GMT 18 Aug 84]

CSO: 4209/442

AGRICULTURE

BRIEFS

HA NAM NINH WATERLOGGING--The recent downpours have caused waterlogging in almost 2,000 hectares of 10th-month rice in Ha Nam Ninh Province. The province is mobilizing manpower to drain water from these ricefields and build more dikes to cope with possible floods during the coming monsoon season.

[Summary] [BK231549 Hanoi Domestic Service in Vietnamese 2300 GMT 21 Aug 84]

CSO: 4209/442

HEAVY INDUSTRY AND CONSTRUCTION

POWER PLANT COMBINES PRODUCTION, ANNUAL MAINTENANCE

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 13 Jul 84 p 4

[Unattributed article: "Da Nhim Power Plant Completes Repair of Four Machine Systems, Each Day Producing 3.7 Million Kilowatt-Hours of Electricity"]

[Text] Annually, the four machine systems of the Da Nhim Hydroelectric Power Plant must undergo planned maintenance and repair. This year, the cadres and workers of the plant began repair of the four machine systems during the first few months of the year. Many cadres and workers developed innovations, improved techniques and self-fashioned many replacement parts such as rubber gaskets, pressure resistant gaskets, etc. The repair and electric power shops worked extra hours to complete repair of the four machines in 51 days, 9 days ahead of schedule. The repair shop also conducted research, heated and recycled 20,000 liters of used oil for use in oiling the machines, promptly overcoming difficulties in oil and saving the state millions of dong.

Due to a rational arrangement between electric power production and machine repair, the plant during the past 6 months produced 550 million kilowatt-hours, 3.5 times that produced during the same period last year. At the present time, the plant is producing from 3.5 to 3.7 million kilowatt-hours each day to supply the provinces and cities of southern Vietnam in support of production and life.

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CSO: 4209/422

TRANSPORTATION AND COMMUNICATIONS

BRIEFS

HAIPHONG AN DUNG BRIDGE--Hanoi, 24 Aug (VNA)--The An Duong Bridge in the western entrance to Haiphong City has been opened to traffic after more than one and a half year's building. The bridge spanning Lach Tray River is 222 metres long and 15 metres wide with 5,500 metres of access way. This is the third bridge built in the western sector of Haiphong after the Thuong Ly and Ha Ly bridges. It will considerably increase freight and passenger traffic from Haiphong to the capital city and other industrial centres in northern Vietnam. Sixty percent of the construction cost, including labour, was contributed by the local people under the slogan, "the state and people join efforts." [Text] [OW240817 Hanoi VNA in English 0722 GMT 24 Aug 84]

CSO: 4200/1016

HEALTH, EDUCATION AND WELFARE

BRIEFS

NEW CATHOLIC WEEKLY--Hanoi, 18 Aug (VNA)--A press conference was held here today on the publication of the weekly review VIETNAMESE CATHOLICS, organ for the Committee for Solidarity of Patriotic Vietnamese Catholics. Speaking at the conference, which was attended by representatives of the Fatherland Front Central Committee, the Government Committee for Religions, journalists from central and local newspapers, Pham Van Khanh, deputy secretary general of the Committee for Solidarity of Patriotic Vietnamese Catholics and editor-in-chief of the newly-founded journal, presented the content of the weekly. He said the task of the weekly is to motivate all Vietnamese Catholics to join the people in building and defending the socialist homeland and strengthen the relations between the Catholic church and the nation, thwart all plots and moves of imperialism and other reactionary forces aimed at taking advantage of religions to oppose the country, and join the world Catholic church in struggling for peace, justice and social progress. The weekly is expected to publish its first issue on the occasion of this year's National Day (2 September). [Text] [OW282110 Hanoi VNA in English 1547 GMT 28 Aug 84]

CSO: 4200/1016

POPULATION, CUSTOMS AND CULTURE

CATHOLIC MOBILIZATION COMMITTEE REVIEWS ACCOMPLISHMENTS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 14 Jul 84 pp 1, 4

[Article by H.N." Municipal Catholic Mobilization Committee Conducts Preliminary Summary of Work During First 6 Months of Year; Catholics Make Many Active Contributions to City's Revolutionary Movement"]

[Text] On 12 July 1984, the Ho Chi Minh City Municipal Catholic Mobilization Committee met to conduct a preliminary summary of the work accomplished during the first 6 months of the year. Also attending the conference were: Nguyen Ho, Chairman of the Municipal Fatherland Front Committee; Archbishop Nguyen Van Binh; and Auxiliary Bishop Pham Van Nam.

Father Phan Khac Tu, General Secretary of the Municipal Catholic Mobilization Committee, reported the achievements made by Catholics during the first 6 months of the year, including the movement to buy fatherland construction bonds, the movement to support the army and people of the provinces on the northern border, and the movement of Catholic youths fulfilling their obligations to the fatherland. The report stated that the missions of the Catholic Mobilization Committee during the final 6 months of 1984 will be to actively mobilize the Catholics in responding to the emulation movement to make achievements in observance of the 10th anniversary of the liberation of the city, to effectively support the army and people in the provinces along the northern border, to strengthen vigilance against the psychological lines and destructive activities of the Chinese expansionists and the American imperialists, and to make active preparations for establishing the city's Patriotic Catholic Unity Committee.

Nguyen Ho warmly praised the Catholic followers of the city for increasingly maintaining close contact with the overall revolutionary movement of the people in the city, and for actively contributing to every aspect of the achievements made by the city.

Archbishop Nguyen Van Binh expressed his pleasure over the increasingly active contributions made by the Catholic priests, clergy and followers to the overall accomplishments of the city during more than the past 9 years and indicated the desire that Catholics would make many more contributions to the overall undertaking of the city and the state. The archbishop hopes that the priests, the clergy and Catholic population strengthen their solidarity with all classes of the people, actively contribute to the task of building and protecting the fatherland and strongly support the army and people in the provinces along the northern border who are courageously fighting to protect the frontier of the fatherland.

On this occasion, Father Truong Ba Can, Chief Editor of the newspaper CONG GIAO VA DAN TOC [CATHOLICISM AND THE PEOPLE], listed the efforts of the paper during the past 9 years aimed at encouraging the socialist patriotic movement of the Catholics in the city, and stated that the future mission of the paper will be to strive to be worthy as the voice of patriotic Catholics and to maintain close contact with the construction and protection of the socialist Vietnamese fatherland.

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END